


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**KAMUKUNJI TECHNICAL AND VOCATIONAL  
COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
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*KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE*

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023

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

Kamukunji Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

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## Acronyms and Definition of Key Terms

### A. Acronyms

<b>BOM</b>	Board Of Management
<b>CSR</b>	Corporate Social Responsibility
<b>ECL</b>	Expected Credit Level
<b>FY</b>	Financial Year
<b>HELB</b>	Higher Education Loan Board
<b>HoD</b>	Head Of Department
<b>IEBC</b>	Independent Electro Boundary Commission
<b>ICT</b>	Information Communication Technology
<b>ICPAK</b>	Institute Of Certified Public Accountants of Kenya
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>KCSE</b>	Kenya Certificate of Secondary Education
<b>KNEC</b>	Kenya National Examination Council
<b>KRA</b>	Kenya Revenue Authority
<b>KTVC</b>	Kamukunji Technical and Vocational College
<b>NBV</b>	Net Book Value
<b>NGAAF</b>	National Government Affirmative Action Fund
<b>NGCDF</b>	National Government Constituency Development Fund
<b>NITA</b>	National Industrial Training Authority
<b>PFM</b>	Public Finance Management
<b>PSASB</b>	Public Sector Accounting Standards Board
<b>TTI</b>	Technical Training Institute
<b>TVC</b>	Technical Vocational College
<b>TVET</b>	Technical Vocational Education Training
<b>MoE</b>	Ministry Of Education
<b>Fiduciary Management</b>	Key management personnel who have financial responsibility in the college

## 2. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background Information

Kamukunji Technical and Vocational College (KAMUKUNJI TVC) is a Technical, Vocational Education & Training (TVET) college under the Ministry of Education, State Department of Vocational and Technical Training. It is registered by the Technical, Vocational Education & Training Authority (TVETA) in line with the TVET Act 2013. It is located at 3<sup>rd</sup> Eastleigh Avenue next to Airbase Police Post, Kamukunji Sub-county in Nairobi County.

The college started operating in the year 2021 and currently has a student of population of 278. It is a Centre of excellence in hospitality, hairdressing and beauty therapy. It is fully equipped with state-of-the-art Equipment by GOK through Avic International Company of China

### (b) Principal Activities

Training competent human resource for Social Economic Development in Business, Science, Hairdressing, beauty Therapy and Hospitality.

#### Vision

To be a world class institution in quality technical vocational education, training and innovation

#### Mission

To equip trainees with; quality technical and vocational training for the global market through employable skills, research and innovation.

### (c) Key Management

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

- i. Principal /Accounting officer
- ii. Deputy Principal-Administration affairs
- iii. Deputy Principal-Academic affairs
- iv. Registrar
- v. Dean of Students
- vi. Heads of Departments
- vii. Heads of sections

### (d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Simon G Njoroge
2.	Deputy principal Administration affairs	Joan Jelimo Saina

SN.	Designation	Name
3	Deputy principal Academic Affairs	Tabitha Mugure
4	Registrar	Joseph Obino Makwabe
5	Dean of students	Esther Kariuki MBOMo
6	Head of Finance	Jared Opiyo Aketch

**(e) Fiduciary Oversight Arrangements**

**Board of Management**

The functions of the Board of Management shall include:

- (a) overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) administering and managing the property of the institutions;
- (d) developing and implementing the institutions' strategic plan;
- (e) preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (h) mobilizing resources for the institutions;
- (a) developing and reviewing programmes for training and to make representations thereon to the Board;
- (b) regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (c) approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (d) recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (e) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (f) making regulations governing organization, conduct and discipline of the staff and students;

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- (g) preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (h) providing for the welfare of the students and staff of the institutions;
- (i) encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (j) discharging all other functions conferred upon it by this Act or any other written law.

## **KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

### **Committees of the Board of Management**

#### **1. Finance, Human Resource, Development, Education and Training**

##### **Committee Activities**

The Committee shall exercise all the powers of Board of Management (BOM) in financial matters except in relation to the items which are reserved to BOM in these Standing Orders, on which the Committee shall advise BOM.

##### **Terms of Reference.**

The role of the Committee shall be to monitor the financial status of the College on behalf of BOM. In addition to advising BOM on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategic plan for the College.
- d) To receive reports of the extent and condition of the College state including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements
- e) To consider the adequacy of the College state and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties
- f) To determine the fees and charges made for college services and facilities.
- g) To supervise the financial administration of the College and make recommendations to BOM where appropriate
- h) To supervise the arrangements for safeguarding the College's assets
- i) To ensure the proper financial evaluation and control of projects
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property
- l) To make recommendations to BOM on the financing of projects
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College
- n) Provide academic leadership to Kamukunji TVC, through promotion of excellence in teaching and learning, and ensuring that Kamukunji TVC embraces a philosophy of quality enhancement and innovation

- o) Facilitate academic freedom and freedom of speech and ensure academic integrity within KTVC.
- p) Ensure a culture of scholarship is developed, nurtured and embedded within KTVC.
- q) Formulate, coordinate and review academic policy, procedures and guidelines within KTVC.
- r) Monitor and regularly report on compliance with academic policy within Kamukunji TVC.
- s) Advise the Board of Management on the academic aspects of Kamukunji TVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and Kamukunji TVC's Vision and Goals.
- t) Oversee the quality assurance of the academic activities of Kamukunji TVC, within the Kamukunji TVC Risk Management Framework.
- u) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Kamukunji TVC Risk Management Framework.
- v) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- w) Oversee the regular program of internal unit, course and school reviews within Kamukunji TVC.
- x) Ensure that Kamukunji TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Kamukunji TVC's plans.
- y) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- z) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- aa) Consider and recommend on any matter referred to the it by the Board of Management.
- bb) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
- cc) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

## KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

### 2. Audit and Risk Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

### 3. Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that Kamukunji TVC's BOM is able to take strategic decisions relating to Kamukunji TVC's activities.
- (b) Provide leadership in communicating Kamukunji TVC's mission, values, plans and achievements effectively and consistently to BOM Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of Kamukunji TVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Kamukunji TVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOM on the implementation and achievement of the BOM's Strategic Framework;
- ii. Agrees Kamukunji TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Management as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**




- i. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of KAMUKUNJI TVC, making recommendations as appropriate to the Board of Management and/or its relevant Committees;
  - ii. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
  - iii. Oversees and monitors Kamukunji TVC's joint work with the other stakeholders
  - iv. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOM and/or its relevant Committees.
  - v. Leads all senior managers in motivating and developing KAMUKUNJI TVC staff to deliver the highest standards of performance and customer service.

**(a) Government Oversight Activities**





The Government of Kenya's Oversight role includes provision of capitation, grants, scholarships, loans and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General

<p><b>(a) Headquarters</b> Eastleigh 3rd Avenue next to Airbase Police Post, Airbase Sub-location, Airbase Location, Eastleigh Division, Kamukunji Sub-county in Nairobi County</p>	<p><b>(b) Contacts</b> P. O. Box 1626-00600, Nairobi. Tel. 0110099913 Email: <a href="mailto:kamukunjitvc@gmail.com">kamukunjitvc@gmail.com</a> Website: <a href="https://kamukunjitvc.ac.ke">https://kamukunjitvc.ac.ke</a></p>
<p><b>(c) Kamukunji TVC Bankers</b> KCB Bank Limited Account No.1273164997 Eastleigh Branch</p>	
<p><b>(d) Independent Auditors</b> Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya</p>	<p><b>(e) Principal Legal Adviser</b> The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>




**1. Board of Management**

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1. Hassan Sheikh Mohamed	Chairman		Date of Birth	1981
			Qualification	MA Communications
			Experience	18 Yrs
2. Virginia Wangoi Kamonji  Audit & Risk Committee	Member		Date of Birth	1973
			Qualification	Master of education
			Experience	25 Yrs
3. Capt. Franklyn Ndirangu Gatheca Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1977
			Qualification	B.Com
			Experience	23yrs





**Board of Management (Continued)**

4. Benson Fredrick Omondi Otieno  Audit & Risk Committee	Member		Date of Birth	1984
			Qualification	BBIT
			Experience	14 Yrs
5. Maryan A. Hassan  Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1977
			Qualification	Master of Education Administration and Planning
			Experience	22yrs
6. Ruth A Owuor  Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1968
			Qualification	Master of Education
			Experience	29 Yrs
7. Lensa A. Ongoro  Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1986
			Qualification	Master of Supply Chain
			Experience	14 yrs

**Board of Management (Continued)**



8. Crispine Anari Momanyi  Audit & Risk Committee	Member		Date of Birth	1987
			Qualification	Msc. Mechatronic
			Experience	12 Yrs
9. Selina A.Osiako  Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1984
			Qualification	B.Com CPA
			Experience	13 Yrs
10. Simon G Njoroge	Secretary		Date of Birth	1968
			Qualification	B. Ed. Technology
			Experience	28 Yrs

**2. Key Management Team**

Manager	Title	Photograph	Qualification & Responsibility	
			Date of Birth	
Simon G Njoroge	Principal		Date of Birth	1968
			Qualification	B. Ed. Technology
			Experience	28 Yrs
Joan Jelimo Saina	Deputy Principal Administration		Date of Birth	1970
			Qualification	MSc
			Experience	27 Yrs
Tabitha Mugure	Deputy Principal Academic Affairs		Date of Birth	1969
			Qualification	Bed Arts
			Experience	25 Yrs
Joseph Makwabe	Registrar		Date of Birth	1975
			Qualification	B. Computer Science
			Experience	15 Yrs

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**Key Management Team (Continued)**

<p>Esther Kariuki</p>	<p>Dean of Students</p>		<p>Date of Birth 1977</p> <p>Qualification Bsc</p> <p>Experience 13 Yrs</p>
<p>Jared Opiyo Aketch</p>	<p>Accountant</p>		<p>Date of Birth 1980</p> <p>Qualification CPA</p> <p>Experience 3 Yrs</p>

## 2. Chairman's Statement

The Government's policy aims and programs listed in Kenya's Vision 2030 depend heavily on the integration of Science, Technology and Innovation (ST&I) towards the realization of the Vision 2030 and increases the country's production processes. This is crucial given the needs for sustainable development, attaining of self-sufficiency, and global economic competitiveness. Therefore, building the required scientific infrastructure and acquiring technical and entrepreneurial skills are crucial steps in transforming Kenya into a middle level income Country.

Over time, the Government has prioritized technical and vocational education and training in its policies and investments (TVET). The Government is cognizant of the contribution this sector has made to the economic development of the County, particularly in terms of raising incomes, creating of jobs and reducing poverty. The main focus has been on ensuring fair access and raising the standard and effectiveness of all TVET programs. This is informed by the Knowledge that quality education and training accelerate economic growth, increase employment chances and create potential for revenue generation.

The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **258 Students up from 170 in the previous year**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

It is my pleasure to present the College's annual report and financial statement for the year ended 30th June 2023. The College's Board of Management note with appreciation the continued support of the government and other stakeholders in the daily running of the College.

We thank the government for the new programmes on Competency Based Education and Training (CBET) aimed at matching skills in institution with industry needs. The BOM will work with industry and other partners to strategies in order to ensure that the skills offered Kamukunji TVC meet the industry needs.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2023/2023



**Hassan Sheikh Mohamed**  
**CHAIRMAN BOARD OF MANAGEMENT**

### 3. REPORT OF THE PRINCIPAL

Globally, Science, Technology and Innovation (S1&I) is what propels rapid economic growth, social advancement and the development of tools and solutions to tackle global problem. In this regard, the Government of Kenya has increased the emphasis on Science, Technology and Innovation and technical and vocational education policies as the foundation of Nations development efforts through the Ministry of Education (MoE)

Let me take this opportunity to present Kamukunji TVC financial statement for the FY 2023/2023 ending 30th June 2023 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With the support of the BOM we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **258 Students up from 170 in the previous year**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

I am humbled by the support from College's BOM, Management and all members of staff for their commitment and dedication to their work and effort that have seen KAMUKUNJI TVC move forward in attaining its vision and mission



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**SIMON G NJOROGE**  
Principal/Secretary BOM

#### 4. Statement of Performance against Predetermined Objectives

The Kamukunji TVC is a new institution which opened its doors to the public on February 2021. It has so far registered a student population of 278 as at the end of the Financial Year Under review.

Kamukunji Technical and Vocational College has *six (6)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022- FY 2027. These strategic pillars are as follows:

- Pillar/ theme/issue 1: To enhance Access and Equity to TVET and higher education by 2027
- Pillar/ theme/ issue 2: To strengthen and enhance KTVC infrastructure and image by 2027
- Pillar/ theme/ issue 3: To strengthen and enhance KTVC occupational safety and health by 2027
- Pillar/ theme/ issue 4: To integration of ICT in service delivery by 2027
- Pillar/ theme/ issue 5: To enhance partnerships, resource mobilization for sustainability by 2027
- Pillar/ theme/ issue 6: To promote Research and Innovations by 2027

*Kamukunji TVC* develops its annual work plans based on the above *six (6)* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kamukunji TVC achieved its performance targets set for the FY 2023/24 period for its (*6 No.*) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar 1.</b>				
To enhance Access and Equity to TVET and higher education.	Develop and/or implement market driven curriculum.	No. of Curriculum developed and/or implemented.	-Develop curriculum -Have the Curriculum approved. -Implement the curriculum.	
	Enter into partnerships and collaborations	No. of partnerships & collaborations		
	Market and publicize training programmes.	Adverts and brochures registered. No. of trainees	Diversified use of internet, social platforms.	
<b>Pillar 2.</b>				
Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements

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To strengthen and enhance KTVC infrastructure and image	Repair, maintain and rehabilitate	Schedules, repairs register, completion certificates /job cards, plans and Bill of Quantities.		
	Review and implement the customer service charter	-Reviewed service charter document. -Review form. -Minutes of review meeting.	-Meetings -Documentation -Printing. Display of the service charter.	
<b>Pillar 4</b>				
To integration of ICT in service delivery	Procure and install MIS	Functional MIS		
	Upgrade and maintain KTVC website	Upgraded website		
<b>Pillar 5</b>				
To enhance partnerships, resource mobilization for sustainability	Utilization of available land / develop master plan	Land utility maximized		
	Development of income generating activities	Income from IGAs realized		Two (2) IGAs realized
	Financial Management system automated	-Enhanced records -Timely reports		
	Skills development for staffs	-Percentage of staff trained. -No of trainings		

**CORPORATE GOVERNANCE STATEMENT**

- a) Good corporate governance is the key to integrity and corporations and central to the College stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOM follows principles of transparency and accountability in its stewarding College's affairs'
- d) The role of the BOM is to ensure conformity by focusing and providing the Colleges strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the Colleges which are revised and improved from time to time

## 5. Management Discussion and Analysis

### SECTION A: Operational and Financial Performance

Kamukunji Technical and Vocational College operational and financial performance

The College is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity.

The college has not yet fully attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute

### SECTION B: Compliance with Statutory Requirements

Kamukunji Technical and Vocational College compliance with statutory requirements

Kamukunji Technical and Vocational College complies to deduction and remittance of statutory deductions such PAYE, NHIF, NSSF, NITA, AFFORDABLE HOUSING LEVY

### SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Kamukunji Technical and Vocational College is planning/implementing

- Being a new institution, Kamukunji TVC has not initiated any development project.

## **SECTION D: Financial and Management Risks**

### **Major risks facing the entity**

- Inadequate funding by the ministry of education- on Scholarships and capitation/operation and development grants
- Poor fees payments resulting in fees arrears of Ksh.7,998,822
- Untimely marketing due to late funding
- Kamukunji TVC is a one block institution and due to limited capacity, it is not possible to increase the number of students as expected.
- The socio economic effects associated with the economic disruptions and the location of the college
- The college has so far not acquired title to the land on which it sits. However, the BOM has initiated the process of acquisition.

Due to the above factors the institution is facing challenges in meeting its operational obligation fully.

## **SECTION E: Material arrears in Statutory and Financial Obligations**

### **Material arrears in statutory/financial obligations**

1. **There are no material arrears/ obligations**

## **SECTION F: Governance**

### **The entity's financial probity and serious governance issues**

There were no serious governance issues reported during the year under review.

## 6. Environmental And Sustainability Reporting Statement

Kamukunji Technical and Vocational College exists to transform lives through equipping trainees with quality technical and vocational training for the global market through employable skills, research and innovation.

Below is an outline of the College's policies and activities that enhance sustainability.

### Sustainability Strategy and Profile

The Kamukunji TVC's strategy is anchored on MTP IV 2023-2027 that is underscored by: The Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Global and Regional Development Commitments, United Nations 2030 Agenda for sustainable development and the Africa Agenda 2063.

#### a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College

#### b. Financial sustainability

The College has diversified the sources of revenue which include; school fees, and production unit program.

#### c. Environmental sustainability

The College embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

#### d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

### Political and macroeconomic factors affecting sustainability priorities.

- e. Climate Change and rampant weather patterns as manifested in drought and flooding, and rising water levels in lakes, culminating in food insecurity and escalated cost of living.
- f. Russia-Ukraine conflict leading to disruption of global supply chains
- g. Exchange rate volatility created uncertainty in the economy, hence negatively affecting the country's imports, exports and Foreign Direct Investment as result of a weakened shilling against the dollar.

### Environmental Performance

- h. Greening TVET
  - i. greening the institution
  - ii. greening the curriculum
  - iii. greening research

- iv. greening the culture
- v. greening the community
- i. Solid Waste management
  - i. disposal of wastes
  - ii. policies on re-cycling
- j. Emission control
  - control on gases emitted to the environment
- k. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the College.

### **Employee Welfare**

The College with the support of the Board Members is in the process of developing the following policies to guide its operations: -

- a. Academic Policy
- b. Human Resource Policy and Manual
- c. Strategic Plan
- d. ICT policy
- e. Career progression (Scheme of service) guidelines for BOM Staff.
- f. Finance policy

The College with the support of the Board Members is in the process of developing the following policies to guide its operations: -

- i. Motivation Policy for both Staff and Students.
- ii. Production Unit Policy.
- iii. Gender Mainstreaming and Youth Empowerment Policy.
- iv. Sexual harassment policy

### **Market place practices.**

- a. Anti –corruption
  - i. Student fees: The College charges the student’s fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh. 56,420 as capped by the Ministry of Education.
  - ii. The admission process is transparent.
- b. Political involvement
  - The College liaises with the area leadership for development of the college infrastructure.
- c. Fair competition
  - i. The College acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure that what is offered at KTVC is similar to what is offered in other institutions.

- ii Entry criteria for the program and the entry requirements for the students are clearly defined, i.e. Mean grade c- for Diploma students, D+ for Certificate students and KC for artisan. This allows the College to have a fair competition with the universities which require students to have a mean grade of C+ to access university education.
- d. Respect for competitors
  - i. Mutual beneficial relationships - The College undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
  - ii The students are placed by KUCCPS and the College ensures that when students seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding

### **Responsible Supply Chain and Supplier Relations**

- a The College reserves 30% of its annual procurement to special groups (Youth, Women and Persons Living with Disability (PWDs)) which aligns with the Public Procurement and Assets Disposal Act 2015. These procurement opportunities have thus created and continue to create diverse economic empowerment for special groups which are vulnerable, thereby contributing to SDG Goal 1 which aims at eradicating poverty in all its dimensions.
- b In the FY2023/24, the College settled substantially 99% all its outstanding payments to suppliers within an average of thirty (30) days upon receipt of all supporting documents, including invoices, which is well within the statutory requirement of thirty (30) days. This ensured that liquidity levels were maintained by the businesses, and that they could meet their cash obligations as required.

### **Responsible marketing and advertisement**

#### Efforts to maintain ethical marketing practices

- a The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process
- b. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the College
- c The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake
- d Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

### **Product stewardship**

#### Efforts to safeguard consumer rights and interests

- a The College has a complaints procedure and complaints registers at various offices

- b. There is proactive disclosure of information by ensuring that information is given through the Colleges website, brochures, print and electronic advertisement
- c. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The College has ensured an active e-mail address info@kamukunjitvc.ac.ke and the telephone line 0110099913. The College has ensured an active website www.kamukunjitvc.ac.ke

**Corporate Social Responsibility / Community Engagements.**

The Kamukunji TVC being a relatively new institution with limited funding has not embarked on major activities of corporate social responsibility.

## 7. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended 30 June, 2023 which show the state of the College's affairs.

### Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level

### Results

The results of Kamukunji Technical and Vocational College for the year ended 30 June, 2023 are set out on page I

### Board of Management

The members of the Board members who served during the year are shown on page vii.

### Auditors

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

By Order of the Board



.....  
**SIMON G NJOROGE**  
Secretary of the Board

Date 13/05/2025

**8. Statement of Board of Management Responsibilities**

Section 161 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board of Management to prepare financial statements in respect of Kamukunji Technical and Vocational College, which give a true and fair view of the state of affairs of the College at the end of the financial year/period and the operating results of the College for that year/period. The Board of Management are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of management are also responsible for safeguarding the assets of the College.

The Board of Management are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 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 College;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the College;
- (v) Selecting and applying appropriate accounting policies; and
- (iv) Making accounting estimates that are reasonable in the circumstances.

The Board of Management accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in

Kamukunji Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30<sup>th</sup>, 2023, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The College's financial statements were approved by the Board on 13<sup>th</sup> May 2025 and signed on its behalf by:



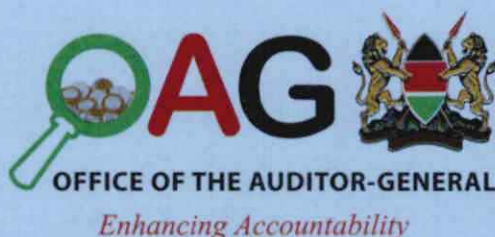
**HASSAN SHEIKH MOHAMED**  
Chairman of the Board



**SIMON G NJOROGE**  
Accounting Officer/Principal

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

The accompanying financial statements of Kamukunji Technical and Vocational College set out on pages 1 to 23, which comprise of 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 Gemal and Company, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kamukunji 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

#### **1.1 Statement of Changes in Net Assets**

The statement of changes in net assets reflects revenue reserves and accumulated surplus as at 1 July, 2022 of Kshs.8,308,149 and Kshs.53,677,179 respectively. However, the 2021/2022 financial statements reflects revenue reserves totalling Kshs.8,634,748 and Nil accumulated surplus resulting to unexplained variances of Kshs.326,599 and Kshs.53,677,179 respectively. Further, the statement reflects accumulated surplus additions of Kshs.59,534,187 which was not explained or supported.

#### **1.2 Comparative Balances**

Review of the financial statements revealed variances in comparative balances with balances reflected in the 2021/2022 audited financial statements as analysed below;

<b>Item</b>	<b>2022/2023 Financial Statements (Kshs.)</b>	<b>2021/2022 Financial Statements (Kshs.)</b>	<b>Variance (Kshs.)</b>
<b>Statement of Financial Performance</b>			
Use of Goods and Services	4,021,009	4,221,009	200,000
<b>Statement of Financial Position</b>			
Accumulated Surplus	53,677,179	3,434,481	50,242,698
Valuation Reserves	0	57,111,660	57,111,660
<b>Statement of Cash Flows</b>			
Rendering of Services - Fees	6,549,994	1,584,751	4,965,243

Use of Goods and Services	4,021,009	3,660,774	360,235
Net Increase/Decrease in Cash and Cash Equivalents	1,939,405	1,739,405	200,000
Capital Reserves	0	2,561,659	2,561,659
Valuation Reserves	0	2,235,062	2,235,062

### 1.3 Statement of Cash Flows

The statement of cash flows reflects net increase in cash and cash equivalents amount of Kshs.144,772 against a recomputed amount of Kshs.7,910,308. Further, the statement includes purchase of property, plant and equipment amount of Kshs.2,078,374 which was not explained or supported. In addition, the statement excludes increase or decrease in receivables, inventories and payables.

### 1.4 Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects Nil amount and Kshs.6,043,312 in respect to sale of goods and services and use of goods and services while the statement of financial performance reflects amounts of Kshs.19,665 and Kshs.4,922,376 respectively, resulting to unexplained variances of Kshs.19,665 and Kshs.1,120,936.

### 1.5 Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 16 to the financial statements reflects cash and cash equivalents balance of Kshs.3,266,130. However, the cashbook reflected a balance of Kshs.2,311,141 resulting to an unexplained and unreconciled variance of Kshs.954,989.

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

## 2. Property, Plant and Equipment

### 2.1 Inaccuracies in Property, Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.113,584,522. However, the accumulated depreciation was not brought forward from the 2021/2022 financial year. Further, the assets register did not indicate the cost of the assets, accumulated depreciation, the asset location and officer responsible. In addition, ICT Equipment valued at Kshs.764,979 was wrongly expensed while office stationery valued at Kshs.74,424 was incorrectly capitalized under ICT equipment.

## **2.2 Lack of Ownership Documents**

The title of the land where the College is located which is approximately 1.9502 Ha is not in the name of Kamukunji TVC but is in the name of Nairobi County formerly Nairobi City Council. Further, the value of the land is not reflected in the financial statements.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.113,584,522 could not be confirmed.

## **3. Unsupported Trade and Other Payables**

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables balance of Kshs.1,938,708 which includes pending bills of Kshs.266,235 which were not explained or supported.

In the circumstances, the accuracy and existence of the trade and other payables balance of Kshs.266,235 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.21,747,000 and Kshs.19,504,630 respectively resulting to an under funding of Kshs.2,242,370 or 10% of the budget. Similarly, the statement reflects final expenditure of Kshs.11,613,987 against actual receipts of Kshs.19,504,630 resulting to an under expenditure of Kshs.7,890,643 or 40% of actual receipts.

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

My opinion is not modified in respect of above matter.

### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls. However, Management had not resolved the issues as at 30 June, 2023.

### **Other Information**

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

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

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **Failure to Tax Board Expenses**

It was established that the Board of Governors allowances amounting to Kshs.355,869 were not taxed and therefore exposing the College to Section 3(2) of Income Tax Act on non-compliance of approximately Kshs.106,761 and possible interest of 5% of Kshs.5,338.

In the circumstances, the College is exposed to non-compliance obligations.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Gaps in Governance**

During the year under review, there was no Risk Management framework in existence. The Board Charter was also not signed.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Management**

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, Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 Management 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 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

23 May, 2025

**STATEMENT OF FINANCIAL PERFORMANCE**

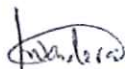
The notes set out on pages 8 to 24 form an integral part of these Financial Statements

		Period Ended	Comparative Period
		30/6/2023	Prior Year
<u>REVENUE</u>	Note	Ksh	Ksh
Revenue from National Gov. & Min.	5a i	4,709,000	6,029,853
Revenue from Rendering of Services	6	14,795,630	6,549,994
Sale of Goods & Services	7	19,665	111,065
<b>Total revenue</b>		<b>19,524,295</b>	<b>12,690,912</b>
<u>EXPENSES</u>			
Use of Goods & Services	8	4,922,376	4,021,009
Staff Costs	9	2,068,458	1,311,245
BOM Meetings Expenses	10	1,039,469	348,230
Depreciation & Amortization	15	8,572,751	1,887,868
Repairs & Maintenance	11	365,246	132,930
Contracted services	12	1120936	434897
Finance Costs (Bank Charges)	13	19,128	4,160
<b>Total Expenses</b>		<b>18,108,364</b>	<b>8,140,339</b>
<b>Surplus (Shortfall) for the Period</b>		<b>1,415,931</b>	<b>4,550,573</b>



Hassan Sheikh Mohamed  
Chairman of Board of Governors

Date 13/05/2025



Praxidice A. Wandera  
Finance Officer  
ICPAK No. 13523

Date 13/05/2025



Simon G Njoroge  
Principal

Date 13/05/2025

Kamukunji Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

I. STATEMENT OF FINANCIAL POSITION

	Note	Period Ended	Comparative Period
		30/6/2023	Prior Year
<b>Assets</b>		Ksh	
<b>Current assets</b>			
Cash and cash equivalents	16	3,266,130	3,121,358
Receivables from exchange transactions	17	7,998,822	4,965,243
Inventories	18	24,680	47,420
<b>Total Current Assets (A)</b>		<b>11,289,632</b>	<b>8,134,021</b>
<b>Non-current assets</b>			
Property, plant and equipment	19	113,584,522	55,767,425
<b>Total Non-Current Assets (B)</b>		<b>113,584,522</b>	<b>55,767,425</b>
<b>Total Assets C (A+B)</b>		<b>124,874,154</b>	<b>63,901,446</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	20	1,938,708	1,916,118
<b>Net Assets</b>		<b>122,935,446</b>	<b>61,985,328</b>
<b>Reserves &amp; Surpluses</b>			
Revenue Reserves	21	9,724,080	8,308,145
Accumulated Surpluses	22	113,211,366	53,677,175
<b>Total Reserves and liabilities</b>		<b>122,935,446</b>	<b>61,985,328</b>

Hassan Sheikh Mohamed  
BOM Chairman

Date 13/05/2025

Praxidice Akinyi Wandera  
Finance Officer  
ICPAK No. 113523

Date 13/05/2025

Simon G Njoroge  
Principal

Date 13/05/2025

Kamukunji Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

**STATEMENT OF CHANGES IN NET ASSETS**

<b>At July 1, 2022</b>	<b>Revenue Reserves</b>	<b>Accumulated Surpluses</b>	<b>Tot:</b>
Balance b/f	8,308,149	53,677,179	61,985,328
Total comprehensive income	1,415,931	-	1,415,931
Additions		59,534,187	59,534,187
<b>At June 30, 2023</b>	<b>9,724,080</b>	<b>113,211,366</b>	<b>122,935,446</b>

Kamukunji Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

**STATEMENT OF CASHFLOWS**

	Note	Period Ended 30/6/2023 Ksh	Comparative Period Prior Year Ksh
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants and subsidies	5 a i	4,709,000	6,029,853
Revenue from Rendering of Services	6	14,795,630	6,549,994
Sale of Goods & Services	7	19,665	111,065
		<b>19,524,295</b>	<b>12,690,912</b>
<b>Payments</b>			
Use of Goods & Services	8	4,922,376	4,021,009
Staff Costs	9	2,068,458	1,311,245
BOM Meetings Expenses	10	1,039,469	348,230
Repairs & Maintenance	11	365,246	132,930
Contracted services	12	1,120,936	434,897
Finance Costs (Bank Charges)	13	19,128	4,160
		<b>9,535,613</b>	<b>6,252,471</b>
<b>Net cash flows from operating activities</b>		<b>9,988,682</b>	<b>6,438,441</b>
<b>Cash flows from investing activities</b>			
(Purchase) of property, plant, equipment and intangible assets		-2,078,374	-2,045,546
Increase in Work in Progress			
Decrease/(Increase) in investments			
<b>Net cash flows used in investing activities</b>		<b>-2,078,374</b>	<b>-2,045,546</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>			
<b>Adjust for working Capital Changes</b>			
Increase/(Decrease) in Accumulated Fund			
Net Movement in Working Capital			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>144,772</b>	<b>1,939,405</b>
Cash and cash equivalents at the beginning of the year		3,121,358	1,375,130
Cash and cash equivalents at end of the year		3,266,130	3,121,358

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Change
	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023	
<b>REVENUE</b>						
Transfers from National Government Ministries	2,000,000		2,000,000	4,709,000	2,709,000	-35%
Revenue from Rendering of Services	19,747,000		19,747,000	14,795,630	-4,951,370	-25%
<b>Total revenue</b>	<b>21,747,000</b>		<b>21,747,000</b>	<b>19,504,630</b>	<b>-2,242,370</b>	
<b>EXPENSES</b>						
Use of Goods and Services	8,267,220	-	8,267,220	6,043,312	2,223,908	-27%
Employees Costs	4,237,280	-	4,237,280	2,068,458	-2,168,822	-51%
BOM Members Expenses	1,100,000	-	1,100,000	1,039,469	-60,531	-5%
Repairs and Maintenance	760,000		760,000	365,246	-394,754	52%
Finance Costs (Bank Charges)	25,000		25,000	19,128	5,872	23%
<b>Total Recurrent Expenditure</b>	<b>14,389,500</b>	-	<b>14,389,500</b>	<b>9,535,613</b>	<b>4,853,887</b>	
Capital Expenditure	7,357,500		7,357,500	2,078,374	5,279,126	72%
Surplus / Deficit	-	-	-	7,890,643		

Budget Notes

- i) Admission was lower than expected hence reduction in revenue.
- ii) There were no major capital purchases during the year, due to low income. Debtors were at sh. 7,998,822 as at 30<sup>th</sup> June 2023
- iii) The BOM Meetings were as planned. There were no major repairs during the year
- iv) Reduced no. of enrolment led to reduction in use of goods

**XVI. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Kamukunji Technical and Vocational College is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the College has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The College's strategic obligations revolve around promoting Technical Training through access to quality training.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value where applicable. 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 college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24<sup>th</sup> July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of new and revised standards**

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

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

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amount, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><b>(Kamukunji Technical &amp; Vocational College has not dealt in Financial Instruments during the Year under review)</b></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithfulness, 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> <ol style="list-style-type: none"> <li>a. The nature of such social benefits provided by the Entity;</li> <li>b. The key features of the operation of those social benefit schemes; and</li> <li>c. The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ol>

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Standard	Effective date and impact:
	(Kamukunji Technical & Vocational College did not participate in any Corporate Social Responsibility)
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><b>(Kamukunji Technical &amp; Vocational College has not dealt in Financial Instruments during the Year Under Review.)</b></p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p> <p><b>This improvement did not affect the operations Kamukunji Technical &amp; Vocational College during the Year under Review.</b></p>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b>Kamukunji Technical &amp; Vocational College did not have any leases during</b></p>

Standard	Effective date and impact:
	<i>the Year under Review.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, 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: 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. <b>Kamukunji Technical &amp; Vocational College did not have any current Assets held for sale during the Year under Review.</b>

*iii. Early adoption of standards*

**Kamukunji Technical & Vocational College** did not early-adopt any new or amended standards in year 2022.

**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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

**ii) Revenue from exchange transactions**

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

**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.

ii) **Revenue from exchange transactions**

**Rental income**

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

b) **Budget information**

The original budget for FY 2022/2023 was approved by the Board of Management on 28<sup>th</sup> June 2021

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 in order 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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per

the statement of financial performance has been presented under section XVIII of these financial statements.

**c) Taxes**

**Current income tax**

The entity is exempt from paying taxes as per First schedule **section 10 subsection (a) and (b)** of the **Income Tax Act 270**.

**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) Property, plant and equipment**

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

The following rates of depreciation were applicable during the year under review:

Buildings	02%
Computers	30%
Furniture	10%
Intangible Assets	10%

**e) 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

**e) 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) 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.

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.

#### **j) 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.

**k) Nature and purpose of reserves**

Kamukunji Technical and Vocational College has not created or maintained any reserves during the year under review.

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

The Kamukunji Technical and Vocational College does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**m) 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 Kamukunji Technical and Vocational College, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Chief principal and other Members of the Management as well as the Heads of Departments.

**n) Cash and cash equivalents**

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

**o) Comparative figures**

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

**p) 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.

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

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

material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions**

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

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

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

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

### **Provisions**

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

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

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

		Period Ended	Comparative Period
<b>5a</b>	<b>TRANSFERS FROM NATIONAL GOVERNMENT</b>	<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>		
		<b>KShs</b>	<b>KShs</b>
<b>i</b>	<b>Unconditional grants</b>		
	Operational grant(Capitation)	2,709,000	4,305,000
	Recurrent Grant	2,000,000	
	Helb		1,618,653
	CDF		89,200
	Other Bursaries		17,000
	<b>Total government grants and subsidies</b>	<b>4,709,000</b>	<b>6,029,853</b>

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	Description	30/6/2023	Prior Year
6	<b>REVENUE FROM RENDERING OF SERVICES</b>	Ksh	Ksh
	Tuition Fees	7,132,495	3,257,555
	Examination fees	2,267,121	1,197,410
	Student ID	79,500	
	Caution Money	520,959	203,000
	Personal Emolument	2,684,312	1,268,439
	Electricity, Water and Conservation	863,343	445,090
	KUCCPS Registration	159,000	178,500
	Operations	1,088,900	
	<b>Total revenue from Rendering of Services</b>	<b>14,795,630</b>	<b>6,549,994</b>
7	<b>SALE OF GOODS AND SERVICES</b>		
	<b>Description</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	Departmental sales	19,665.00	111,065.00
8	<b>USE OF GOODS AND SERVICES</b>		
	<b>Description</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	Marketing Services (Advertising and Publicity)	246,203	142,272
	Electricity	249,112	202,600
	Water	78,450	53,162
	Design and printing	52,154	132,600
	Internet	69,587	
	Examination	1,179,190	1,197,410
	KNEC Exams practical material	105,911	124,329
	Educational tours	58,150	19,600
	In-house trainings		64,400
	Deposits		12,450
	workshops, Seminars, Training and Team Buildings	873,355	597,800
	Newspapers	74,000	74,964
	Survey Title Expenses		44,200
	Registration and Statutory fees	176,871	313,758
	Stationery Expenses	333,035	220,054
	Tuition practical Training materials	1179190	536,881

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	Subsistence Allowances	107,920	81,185
	Telephone Expenses	139,248	203,344
	<b>Total good and services</b>	<b>4,922,376</b>	<b>4,021,009</b>

9	<b>EMPLOYEE COSTS</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	Salaries and Wages - BOM- Training Staff	961,140	622,400
	Non-Training Staff	1107318	561645
	Casual Labour		127200
	<b>Employee costs</b>	<b>2,068,458</b>	<b>1,311,245</b>

10	<b>REMUNERATION OF BOM MEMBERS</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	Sitting Allowance	355,869	348230
	Training Expenses	683,600	
	<b>Total director emoluments</b>	<b>1,039,469</b>	<b>348,230</b>

11	<b>REPAIRS AND MAINTENANCE</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	Repairs and maintenance	365,246	132,930
	<b>Total repairs and maintenance</b>	<b>365,246</b>	<b>132,930</b>

12	<b>CONTRACTED SERVICES</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	Security services	539,534	261,869
	Cleaning expenses	581,402	173,028
	<b>Total contracted services</b>	<b>1,120,936</b>	<b>434,897</b>

13	<b>FINANCE COSTS (BANK CHARGES)</b>	<b>Period Ended</b>	<b>Comparative Period</b>
		<b>30/6/2023</b>	<b>Prior Year</b>
	<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	Bank charges	19,128	4,160
	<b>Total finance costs</b>	<b>19,128</b>	<b>4,160</b>

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14 ACCUMULATED SUPLUSES	Description	Period Ended	Comparative Period
		Period Ended	Prior Year
		KShs	KShs
	Buildings		53,740,660
	Furniture		3,371,000
	Machinery and Equipment	63,852,613	
		<b>63,852,613</b>	<b>57,111,660</b>

15 DEPRECIATION AND AMORTIZATION EXPENSE	Description	Period Ended	Comparative Period
		Period Ended	Prior Year
		KShs	KShs
	Buildings	1,031,821	1,074,813
	Computers	726,460	422,100
	Furniture	429,209	390,955
	Machinery and Equipment	6,385,261	
	<b>Total depreciation and amortization</b>	<b>8,572,751</b>	<b>1,887,868</b>

16 CASH AND CASH EQUIVALENTS			
	Current Accounts	3,138,814	3,016,082
	Cash in hand	127,316	105,276
	Others (Specified)	-	
	<b>Total cash and cash equivalents</b>	<b>3,266,130</b>	<b>3,121,358</b>

**DETAILED ANALYSIS OF CASH & CASH EQUIVALENTS**

**a) Current account**

Kenya Commercial Bank -	1273164997	3,138,814	3,016,082
<b>Sub-Total</b>		<b>3,138,814</b>	<b>3,016,082</b>
<b>b) Others</b>			
Cash in Hand		127,316	105,276
<b>Sub-Total</b>		<b>127,316</b>	<b>105,276</b>

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**GRAND TOTAL** 3,266,130 3,121,358

17	RECEIVABLES FROM EXCHANGE TRANSACTIONS	Period Ended	Comparative Period
			Prior Year
	Current receivables	KShs	KShs
	Student debtors	7,998,822	4,965,243
	<b>Total current receivables</b>	<b>7,998,822</b>	<b>4,965,243</b>

18	INVENTORIES	Period Ended	Comparative Period
			Prior Year
	Current Inventories	KShs	KShs
	Inventories	24,680	47,420
	<b>Total current Inventories</b>	<b>24,680</b>	<b>47,420</b>

19	Property, plant and Equipment (As per schedule attached)	Period Ended	Comparative Period
		30/6/2023	Prior Year
		KShs	KShs
	Machinery and Equipment	57,467,352	
	Buildings	50,559,213	51,591,034
	Computers	1,695,074	984,900
	Furniture	3,862,883	3,191,491
		<b>113,584,522</b>	<b>55,767,425</b>

20	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	Period Ended	Comparative Period
	Description	2022/2023	Prior Year
		KShs	KShs
	Fees paid in advance	648,717	1,355,883
	Trade payables	65,156	360,235
	Nairobi TTI	397,435	0
	HELB	527,400	0

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	Audit fees	300,000	200,000
	<b>Total trade and other payables</b>	<b>1,938,708</b>	<b>1,916,118</b>
<b>21</b>	<b>Revenue Reserves</b>		
	Reserves brought forward	8,308,149	3,957,576
	Deficit for the year	1,415,931	4,350,573
	<b>Reserves carried forward</b>	<b>9,724,080</b>	<b>8,308,149</b>
<b>22</b>	<b>Accumulated Surpluses</b>		
	Brought forward	53,677,179	53,677,179
	Additions during the year	69,258,267	
	<b>Accumulated Surplus Carried Forward</b>	<b>113,211,366</b>	<b>53,677,179</b>

10. APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Balances in the Financial Statements	<p>This was the first Year of Operation. This amount shown as capital fund is the increase in value of the institution as a result of the day to day operations.</p> <p>The Institution has not done any valuation of its Properties. The only value that is available is the cost of construction of the buildings plus any items that has been purchased since inception.</p> <p>The equipment was a donation which has not been valued.</p> <p>The BOM has undertaken the process of acquiring the Title for the Land on which KTVC sits.</p>	Principal	Partly Resolved	By end of FY 2022-2023
2	Receivables from Exchange Transactions.	The receivables have now been analyzed and the aging has been appropriately done.	Accountant	Resolved	By end of FY 2021-2022
	Budgetary	This was the first year of operation.	Principal/Accountant	Resolved	During FY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Control and Performance	An approved budget for the Year 2021-2022 has been done and has been effectively utilized during this year under review. The requisite explanatory notes have been provided during the FY 2021-2022			2021-2022
	Lack of Policy Documents	The Management in Conjunction with the BOM has embarked on the development of the Various policies that are required for the effective operations of the Institution.	Principal	Not Resolved	By end of FY 2023-2024

11. APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1							
3							
4							

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5							
6							

**12. APPENDIX III: STATUS OF PROJECTS COMPLETION**

		Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
3							
4							
5							
6							

**NB. This is a new institution and has not embarked on any projects.**

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**13. APPENDIX III: INTER-ENTITY TRANSFERS**

	<b>ENTITY NAME:</b>	KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE		
	<b>Break down of Transfers from the State Department of Technical &amp; Vocational Training</b>			
	<b>FY 2022/2023</b>			
a.	Recurrent Grants	2,000,000		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Capitation	24.10.2022	845,000.00	2022/2023
	Capitation	26.01.2023	932,000.00	2022/2023
	Capitation	29.06.2023	932,000.00	2022/2023
		Total	2,709,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		<b>Total</b>		

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

PRAYIDILE ANITHI WANDERA  
Finance Officer  
For Kamukunji Technical and Vocational College

\_\_\_\_\_  
Head of Accounting Unit  
State Department for Technical  
And Vocational Training.  
Ministry of Education

Sign Prayidile Wandera

Sign-----

**14. APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER  
 GOVERNMENT ENTITIES**

6 B) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES					
Name of the Entity Sending the Grant	Amount Recognized to Statement of Comprehensive Income	Amount Deferred under deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the Year	Prior Year 2021/2022
MoE, State Dept. for VT	2,709,000			2,709,000	4,305,000
HELB	1,636,800			1,636,800	
CDF	306,600			306,600	
Other Bursaries	139,708			139,708	
MOE, State Dep. For VT	2,000,000			2000,000	

**15. APPENDIX V: FIXED ASSETS SCHEDULE**

Property, Plant and Equipment	Buildings	MACHINERY AND EQUIPMENTS	Computers	Furniture
	Ksh		Ksh	Ksh
	2.00%	10%	30%	10%
<b>COST</b>				
Cost as at 1st July 2022	51,591,034		1,407,000	3,909,54
Additions for the Year		63,852,613	1,014,534	382,54
Valuations for the Year				
Disposals in the Year				
Gain(Loss)on Disposal				
Cost as at 30 June 2023	51,591,034	63,852,613	2,421,534	4,292,09
<b>Depreciation</b>				
Charge for the year	1,031,821	6,385,261	726,460	429,20
Disposal During the Year				
Depreciation as at 30 June 2023	1,031,821	6,385,261	726,460	429,20
Book Value as at 30th June 2023	50,559,213	57,467,352	1,695,074	3,862,88

16.