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CLERK AT THE TABLE:	CHRISTINE NDIRITU

REPORT

OF

THE AUDITOR-GENERAL

ON

**NYAKACH TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL
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NYAKACH TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2021

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

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I. KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Nyakach Technical and Vocational College was established in the year 2019 as a result of the current government's manifesto of 2013/2017 which emphasizes on the need to increase access to education. The government set out to build a Technical and Vocational College in each in every constituency and a Vocational Training Centre in every Ward. Nyakach TVC became one of the 60 colleges that were constructed in the first phase between 2015 and 2018. The college admitted its first learners in September 2019.

Nyakach TVC is located in Nyakach sub-county in Kisumu County and is under the Ministry of Education, state department of vocational and technical training.

Statement of Strategic Intent by the Board of Governors

Nyakach Technical and Vocational College will help in the achievement of the national goals of education as stipulated in the Constitution of Kenya 2010, the Education Act 2012, the TVET Act 2013, Vision 2030, and Sector Plan for Science Technology and Innovation through;

- (1) Collaborating with industry and other players to incorporate new manufacturing technologies in competency – based training programs.
- (2) Producing competent human resources for the building and construction industry.
- (3) Improving access, equity, quality, in competency-based education and training in certificate and diploma courses
- (4) Enhancing excellence in resource and infrastructure management.
- (5) Engaging in outreach programs that promote adherence to Covid-19 protocols and general healthy lifestyle.
- (6) Extending and developing college administration systems, resources and facilities within sustainable practices.

(b) Principal Activities

The principal activity of the Nyakach TVC shall be to: -

1. Provide, directly or in collaboration with other institutions of higher learning, facilities for technical training in technical and professional education;
2. Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific, and technological development;
3. Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
4. Promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
5. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
6. Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;

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7. Provide high quality education, research, commercial, cultural, social, recreational, sporting and other facilities;
8. Participate in commercial ventures and activities;
9. Foster the general welfare of all staff and trainees;
10. Provide opportunities for development and further training for staff of the college;
11. Develop and provide professional, technical and vocational services to the community and in particular, foster corporate social responsibility;

Strategic Objective

- To provide accessible, equitable, quality competency-based education and training.
- To strengthen and invigorate a strong sense of community and promote relationship between the college and the broader community through Community Social Responsibility.
- To ensure continuous improvement and development in research and innovation at Nyakach TVC.
- To ensure compliance, collaborations, linkages and partnerships and best practices in corporate governance.
- To extend and develop college administration to achieve financial sustainability for Nyakach TVC to carry out its mandate.

Vision

To be a reputable institution in innovation, research, training and production of highly skilled personnel and market driven merchandise.

Mission

To provide quality technical, vocational and entrepreneurship training, research and innovation in partnership with stakeholders to produce globally competitive graduates.

Core Values

Quality

Professionalism

Innovativeness

Integrity

Equity

Teamwork

(c) Key Management

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

- Board of Governors
- Principal's Management Committee.
- Academic committee
- The Principal who is the Accounting Officer.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mrs Risper D. Anyango Odhiambo
2.	Deputy Principal (Admin)	Mr James Ouko Ochido
3.	Ag Deputy Principal (Academic)	Mr David Odera
4.	Ag. Registrar	Mr Fredrick Okara
5.	Ag Dean of students	Ms Sarah Atieno Ochome
6.	Finance Officer	Ms Mildred Akoth Otiato
7.	Procurement Officer	Ms Antonina Anyango Omwandho

(e) Fiduciary Oversight Arrangements

In order to facilitate the smooth running of its affairs, Nyakach TVC Board of Governors established committees with the membership and terms of reference as it deemed fit. The following committees were in place during the year 2020/2021:

- I. Education, Research, Innovation and Training Committee (ERIT)
- II. Finance, Administration, Human Resource Management Committee (FAHRM)
- III. Planning, Infrastructure, Enterprise and Resource Mobilization Committee (PIERM)
- IV. Audit and Risk Management Committee. (ARM)

The Board of Governors nominates the Chairperson of each committee of the Board and provides that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect one person from among them to chair the meeting. The Principal is the secretary of all the committees of the Board except the Audit and Risk Management Committee.

(i) Education, Research, Innovation and Training Committee

Roles and functions

- a) Monitor and oversee institutional excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- b) To oversee the management of scholarships, bursaries and prizes which may be provided for by the Academic Policy;
- c) To submit regular reports to the Board on all matters related to education, training and research;
- d) Evaluate regular reports on academic progress, conduct of examinations and consider academic awards
- e) To receive and consider proposals for development and further training of the academic staff of Nyakach TVC
- f) To receive and consider proposals for collaboration with other institutions of higher learning, research and technology for the enhancement of technological , professional and scientific education;
- g) To receive, review and consider proposals for introduction of new or exciting courses and subjects of study, colleges, departments, resources, research and innovation.

(ii) Finance, Administration, and Human Resource Management Committee

Roles and functions

- a) Check and determine that annual estimates have made provision for all the estimated expenditure, and in particular the following:
 - i. Payment of the salaries, allowances and other charges in respect of the staff of the College;
 - ii. Payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the College;
 - iii. Funding of the cost of teaching, research and outreach activities of the College; and
 - iv. Creation of such funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of building or equipment and in respect of such other matters as the Board may deem fit.
- b) Review the policies, processes and programs management has put in place to prepare, prevent and protect the college from financial risk.
- c) Monitor and review procurement of works, goods and services at the college to ensure compliance with established laws, regulations, policies and procedures.
- d) Receive and consider proposals for the participation of the college in commercial ventures and activities.
- e) Receive and consider proposals for investment of any of the funds of the College in securities in which for the time being trustees may, by law, invest trust funds or in any

other securities which the National Treasury may, from time to time, approve for the purpose.

- f) Consider proposals for placement on deposit with such banks as it may determine any moneys not immediately required for the purposes of the college.
- g) Monitor and review all appropriation-in-aid to ensure compliance with donor and / or government guidelines, legal and regulatory requirements, policies and procedures.
- h) Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the TVC.

(iii) Planning, Infrastructure, Enterprise and Resource Mobilization

The PIERM Committee, as a Standing Committee of Board, will collaborate with, and respond to, Board of Governors to:

- i. Oversee the development and administration of policies, procedures and strategies that will promote prudent financial management, high quality infrastructural development and acceptable resource mobilization practices including recruitment, reward, retention, motivation and development of Nyakach TVC's staff;
- ii. Oversee the TVC's compliance with legal, statutory and regulatory requirements relating to finance, infrastructure and resource mobilization matters as well as compliance with ethical and quality standards adopted by the TVC.
- iii. Receive and consider proposals and reports on matters relating to finance, development projects and resource mobilization in the TVC and its campuses.
- iv. Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the TVC.
- v. Report to Board on a regular basis regarding matters considered in each of the committee's meetings.

(iv) Audit and Risk Management Committee

The Audit and Risk Management Committee, as a Standing Committee of the Board of Governors, shall provide assistance to the Principal or to the Board of Governors and shall involve in all or a combination of the following duties and responsibilities:

- i. Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- ii. Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within Nyakach TVC.
- iii. Provide an independent review of the college's reporting functions to ensure the integrity of the financial reports.
- iv. Ensure Nyakach TVC effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

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- v. Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- vi. Provide strong and effective oversight of the college's internal audit function
- vii. Report to BOG regularly regarding matters considered in each of the committee's meetings.

(f) College Headquarters

Nyakach Technical and Vocational College
P.O. Box 159 - 40109
SONDU,
KENYA

(g) College Contacts

Telephone: (254) 0797142166
(254) 0762706351
E-mail: nyakachtechnical@gmail.com
Website: www.nyakachtvc.ac.ke

(h) College Bankers

1. Kenya Commercial Bank
Sondur Branch
P.O. Box 287-40109
SONDU,
KENYA





(i) Independent Auditors

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

(j) Principal Legal Adviser






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

II. BOARD OF GOVERNORS

 <p>1. Prof. Benard Muok</p>	<p>Professor Bernard Muok is the current and pioneer Chairman of the Board of Governors.</p> <p>Prof Muok is a professor of Climate Change, Natural Resource Management and Renewable Energy. He holds a Post-Doctoral in Bioenergy and Climate Change. He also holds a PhD in Tropical Agriculture from University of Edinburgh, UK; Master’s degree in Forestry (Agro forestry option) from Kyoto University, Japan; Bachelor’s Degree in Forestry from Moi University, Eldoret; International Diploma in Conservation and Certificate in Environmental Impact Assessment and Environmental Audit. Prof. Muok has technical and managerial experience of over 20 years in natural resources Management, Renewable and Sustainable Energy, Climate Change Mitigation and Adaption, Policy Analysis, Food Security and Sustainable Development. Prof. Muok has consulted widely for national and regional governments, non-governmental organisations and private entities. He has published widely in peer review journals, policy and extension materials.</p> <p>Prof. Muok is the current Director of the directorate of Research, Innovation and Partnerships at Jaramogi Oginga Odinga University of Science and Technology.</p>
 <p>2. Ms. Janet Kwamboka</p>	<p>Ms. Janet Kwamboka is a highly experienced Corporate Relationship Manager, trainer, Business consultant and Transformational speaker with extensive exposure in the financial services sector spanning over 12 years in both Retail and Corporate banking. She holds a Bachelor of Science – Mathematics and Computer Science from Jomo Kenyatta University of Agriculture and Technology. She is also an alumni of Born to Lead Academy. She is the founder and Lead Trainer/Coach of InnerPower Consultants Limited and enjoys working with youth to encourage them to unleash their full potential and have a paradigm shift in their mind sets.</p>
 <p>3. Ms. Yvonne Murenga</p>	<p>Ms. Yvonne is an experienced ICT professional with 10 years working experience in the field and has worked for both the public and private sector. She has worked in various ICT projects and taken up leadership courses and is also a board member at Ndia Technical and Vocational College. She has a degree in IT from JKUAT and is pursuing a Master in Business Administration Strategic Management at Kenyatta University. She also has a certification in ICT Project and is a member of ISACA and CSK professional bodies.</p>
 <p>4. Mr. Hillary Makhulu</p>	<p>Mr. Hillary is the Founder/Head of Operations at Premium Building Products and Services Ltd. He holds a Bachelor in Biological Sciences from Jomo Kenyatta University of Agriculture and Technology. He has accumulated experience for over 20 years in management of distribution systems, customer service management, new products management, policy formulation and implementation. Currently he is the National Manager, Agent Network Trinity Technologies Ltd in Sudan.</p>


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 <p>5. CPA Phoebe Mumbua Musau</p>	<p>Ms. Musau is currently working at Mutiso Munezes International and MMI Developers Ltd. She holds a Master of Science (Finance) from Kenyatta University. She also holds a Bachelor of Commerce, Double Major in Accounting & Finance options from Strathmore University. She has over 9 years working experience in Accounting and is a member of ICPAK. She has attended Entrepreneurship and Business Management Training at Strathmore University</p>
 <p>6. Eng. Bovince Ochieng</p>	<p>Eng. Bovince is the Director Trade & Enterprise Development in the County Government of Kisumu with vast experience in entrepreneurship. He holds a Bachelor Degree in Electrical and Electronics Engineering from the University of Nairobi.</p>
 <p>7. Mrs. Risper D. Anyango Odhiambo</p>	<p>Mrs. Odhiambo is the Principal and secretary to the Board of Governors. She has over 28 years' experience as a Trainer in Liberal Studies specialising Project management and development economics. She has served in various administrative positions in public institutions. Mrs. Odhiambo holds a Bachelor's Degree in Education from Moi University. She has attended and trained in several counselling and drug awareness and prevention programs. She is a member of the International Society of Substance Use Professionals and a trained policy maker on drug demand reduction.</p>
 <p>8. Mr. Paul Ajwang' Okumu</p>	<p>Mr Paul Okumu has a broad experience in managing people, leadership, entrepreneurship, business partnership and management. He is the founder and General Manager of Wolfenberg International Limited, Nairobi. He is a holder of a Bachelor of Business Administration from Kenya Methodist University, Diploma in Business Management from Kenya College of Management (KIM), Diploma in Procurement and Supplies Management(KIM) and Diploma in Clearing and Forwarding from Universal Group of Colleges.</p>
 <p>9. Prof. Basil Iro Ong'or</p>	<p>Professor Basil is currently an associate professor of Hydrology at Masinde Muliro University of Science and Technology, Kakamega. He is a holder of PhD. in Hydrology and Water Resources from Hohai University, China; MSc. In Water Resources Engineering from University of Dar es Salaam, Tanzania and a BSc. in Agricultural Engineering (Soil and Water) from Egerton University, Kenya. Professor Ong'or has 29 years of professional experience in soil and Water Resources Engineering projects, Institutional administration,</p>

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	<p>financial management, human resources and student affairs management.</p> <p>He has served in various capacities including but not limited to:</p> <ol style="list-style-type: none"> i. Acting Deputy Vice Chancellor – Administration and Finance ii. Dean Faculty of Engineering iii. Director of Privately Sponsored Students Program iv. Lecturer and Researcher v. Irrigation and Drainage Engineer, among others <p>Professor Basil has attended several trainings, workshops and seminars and published many reports and papers in referred journals. He has also won several Honours and awards.</p>
 <p>10. Mr. Fanuel Onyango</p>	<p>Mr. Fanuel Onyango is currently the County Director TVET – Kisumu and Siaya Counties. He has a wealth of experience in Education Management and has served as Principal and Deputy Principal, in various institutions. He has been a Dean of Students, Head of Department, Teacher Trainer in a Diploma College, Lecturer, and teacher in High School. He has done work for Kenya National Examinations Board (KNEC) and has also been involved in Curriculum Development & Consultancy in small and medium-sized enterprises.</p> <p>Mr. Fanuel has Master’s degree (HRM) from Kenyatta University and a bachelor of education degree (Business Studies) from the same University</p>

III. MANAGEMENT TEAM

	<p>Principal and secretary to the Board of Governors.</p>
<p>1. Mrs Risper D. Anyango Odhiambo (B.Ed)</p>	
	<p>Deputy Principal – administration</p>
<p>2. Mr. James Ouko Ochido (B.SC, PGD)</p>	
	<p>Acting Deputy Principal – Academics</p>
<p>3. Mr. David Otieno Odera (Diploma in Technical Education)</p>	
	<p>Registrar and Systems Administrator</p>
<p>4. Mr. Fredrick Okara Ogunde (BSc. – Computer Science)</p>	

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 <p>5. Sarah Atieno Ochome (Diploma in Building Technology)</p>	<p>Acting Dean of Students</p>
 <p>6. Ms. Mildred Akoth Otiato (CPA; Diploma in monitoring and Evaluation)</p>	<p>Finance Officer</p>
 <p>7. Ms. Antonina Anyango Omwandho (BBM-Purchasing and Supply Chain Mgt)</p>	<p>Procurement Officer</p>

IV. CHAIRMAN'S STATEMENT

I am pleased to present this financial report for the financial year that ended 30 June 2021. Since establishment of this college several opportunities have presented themselves. Key among these include; increased enrolment, government support, higher networking avenues and more linkages and collaborations. Along with these there are also high levels of expectations from the trainees, Trainers, community, other employees and other stakeholders.

The Board is indeed aware that the college has been established at a time when the higher education sector has changed drastically with a historical record of increased numbers of tertiary education institutions in the country. With the number of students qualifying to join University, National Colleges and Technical & Vocational Colleges increasing significantly over the years as well as the changing government policies, the operating environment is becoming extremely competitive. In response to this growing demand and the existing operating environment, we have to be prepared to increase physical facilities that would give us a competitive advantage.

The emergence of Covid-19 Pandemic greatly affected the core operations of the Institution during this period.

The college is in the process of drafting its strategic plan and has envisioned to address the emerging challenges and take advantage of the existing opportunities in the operating environment.

The Strategic Plan will provide a clear roadmap to the Board of Governors and the Management during the period 2021-2025 of the college's development. It is expected, therefore, that going forward, projects will be undertaken as per the strategic plan. It is expected that the Government would contribute significantly towards the realization of our dreams as envisaged in the plan in terms of provision of the required financial resources.

Other avenues to fund the planned expansion of the physical facilities and infrastructure would also be explored with the main focus being centred on resources mobilization and strategic initiatives.

The college has continued to experience increased strain in its physical facilities as a result of increased population in terms of student and staff numbers. This means, therefore, that more physical facilities must be put in place to cater for the increase. This calls for enhanced resource mobilization.

The college's annual financial position as at June 30, 2021, improved with an increase in net position of KShs 1,497,892

Conclusion

I strongly believe that with all the planned strategies as envisaged, it is apparent that the future of Nyakach Technical and Vocational College is very bright and secure. Our commitment as Board of Governors is to continue setting the right tone at the top which is geared towards the realization of the College's vision and mission.

Finally, I want to thank my fellow members of the Board of Governors, the Principal, the Management committee, Staff and Students of Nyakach TVC for their commitment and hard work exhibited during the year. I also wish to thank the Government and all our stakeholders for their unwavering support.

It is our expectation that the peaceful and productive environment witnessed during the year will continue into the coming year.


Professor Benard Muok
CHAIRMAN- BOARD OF GOVERNORS

DATE: 29/09/21

V. REPORT OF THE PRINCIPAL

It is my pleasure to present my report for the 2020/2021 financial year which ended on 30 June 2021. Indeed, the higher education sector has witnessed a rapidly changing operating environment characterized by stiff competition, changing customer demands, Covid-19 Pandemic and declining resource allocation to public institutions.

Despite the many challenges now inherent in this new operating environment, the college continued to discharge its mandate of training, research and outreach successfully with the exception of the effects of Covid-19 Pandemic which affected the core operation in the last quarter of the year. By 30 June 2021, the trainee enrolment stood at 479 (Table 1) as compared to 133 (Table 2) trainees in the previous year. This figure comprises of Diploma, Certificate and Artisan courses.

Table 1: Students Enrolment per Department as at 30th June 2021.

S/no	Department	Artisan	Certificate	Diploma	Total
1	Electrical And Electronic Engineering	25	25	28	78
2	Mechanical Engineering	44	34	54	132
3	Building & Civil Engineering	57	24	41	122
4	Agriculture		8	5	13
5	Computer Studies		22	18	40
6	Business Studies		32	37	69
7	Liberal Studies		18	7	25
TOTAL		126	163	190	479

Table 2: Students Enrolment per Department as at 30th June 2020.

S/no	Department	Artisan	Certificate	Diploma	Total
1	Electrical And Electronic Engineering	8	9	7	24
2	Mechanical Engineering	14	14	8	36
3	Building & Civil Engineering	20	10	8	38
4	Agriculture				
5	Computer Studies		7	8	15
6	Business Studies		7	5	12
7	Liberal Studies		5	3	8
TOTAL		42	52	39	133

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Financial Performance

The main source of funding to the college during the period under review was school fees with a contribution of a total of KShs. 10,535,423 for recurrent expenditure purposes. In addition, the College generated a sum of KShs 200,000 from Income Generating Activities (IGA's). The college also received KShs 10,605,000 from the Ministry of Education being the capitation and KShs 500,000 as Operational Grant.

Conclusion

In conclusion, I take this opportunity to thank the Board of Governors of Nyakach TVC for providing the desired guidance and support during the year which was way beyond expectations and which I highly appreciate. I also wish to sincerely thank the Management team, all staff and trainees, for the cooperation, peace, hard work and discipline exhibited throughout the year.

Finally, I would like to thank the Government for its support during the period under review. I also appreciate the moral support of our collaborators, partners and other stakeholders during the year. It is my desire that we should continue working together as a team in the new financial year and beyond.



Risper D. Anyango Odhiambo

PRINCIPAL

DATE: 28/09/2021

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

During the period under review Nyakach TVC had not developed a strategic plan. It is projected that a strategic plan will be in place by 30th of October 2021 since it is in the process of being developed.

The college did not also sign a performance contract in the year under review but has since signed one for the current financial year.

During the year, however, the college undertook several activities including, marketing of courses leading to increased enrolment, donated fabricated and sold/ donated foot operated hand washing machines and sanitizer dispensers, introduced several courses and sat for National Examinations. The building department also put up a shade/ three rooms currently used for learning.

VII. CORPORATE GOVERNANCE STATEMENT

1. Process of Appointment of Board of Governors

Nyakach TVC Board of Governors was appointed by the Cabinet Secretary Ministry of Education, with effect from 2nd October, 2019 for a term of three years. There are 7 Board members comprising of the Chairman, one member representing the county Government, and five (5) independent members. The Principal and the County Director, TVET are *ex-officio* members of the Board.

The appointment of the Board members shall:

- a) Take into account ethnic and Gender balance
- a) Promote inclusion of persons with disability, minorities and marginalized
- b) Ensure balanced cores skills and competencies amongst the members

In appointing members of the Board, the Cabinet Secretary shall stagger the appointment of some members to maintain a proportion of new membership that ensures continuity in the services of the Board.

2. Process of Removal of Board member.

Where the office of a member of the Board becomes vacant the Cabinet Secretary may appoint another person to fill the vacancy for the unexpired term of such member.

Notwithstanding the generality of the foregoing, any member of the Board suspected of having contravened chapter six or chapter thirteen of the Constitution shall vacate office to pave way for investigations.

Where a person who has vacated office under sub-paragraph (3) is not found culpable after investigations carried out under sub-paragraph (5) the person shall be reinstated as a member of the Board.

Paragraph 12 shall apply with respect to the conduct of the business and affairs of the Board.

3. Roles and Functions of the Board of Governors

- i. To ensure that proper management structure is in place and that the management maintain the corporate integrity, reputation and responsibility of the college
- ii. To monitor and evaluate the implementation of the strategies, policies and management plans of the College
- iii. To constantly review the viability and financial sustainability of the college once in every year
- iv. To ensure that the college complies with all the relevant laws, regulations, governance practices and accounting and auditing standards

4. Committees of the Board of Governors

In order to facilitate the smooth running of its affairs the college's Board of Governors establishes such committees with the membership and with such terms of reference as it may deem fit. The following committees were in place during the financial year 2020/2021:

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- i. Education, Research, Innovation and Training committee
- ii. Finance, Administration and Human Resource Management Committee
- iii. Planning, Infrastructure, Enterprise and Resource Mobilization Committee
- iv. Audit and Risk Management Committee.

The Board members nominate the Chairperson of each committee and provides that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect one person from among them to chair the meeting. The County Director-TVET and the Principal are ex-officio members of every committee of the Board except the Audit and Risk Committee where the principal is not a member.

Board of Governors Meeting attendance

Board Member	Date of Appointment	Date of Retirement	Responsibility	Membership & Attendance	Full Board	Education Research Innovation and Training	Finance, Admin, Human Resources
Prof Benard Muok	July, 2019	August, 2022	Current Chairperson of the Board	Membership	√		
				Attendance	3/4		
Mrs. Risper Odhiambo	July, 2019	August, 2022	Secretary/Principal	Membership	√	√	√
				Attendance	4/4	3/3	4/4
Janet Kwamboka	July, 2019	August, 2022	Member	Membership	√	√	
				Attendance	4/4	3/3	
Prof Basil Iro	July, 2019	August, 2022	Chair ERIT	Membership	√	√	√
				Attendance	4/4	3/3	4/4
Hillary Makhulu	July, 2019	August, 2022	Chair PIERM	Membership	√		
				Attendance	3/4		2/4
Eng. Bovince Ochieng	July, 2019	August, 2022	Member	Membership	√		
				Attendance	1/4		
Mr. Fanuel Onyango	July, 2019	August, 2022	CD-TVET	Membership	√	√	
				Attendance	1/4	3/3	2/4
Yvonne Murenga	July, 2019	August, 2022	Chairperson ARM	Membership	√		
				Attendance	2/4		
CPA. Phoebe Musau	July, 2019	August, 2022	Chairperson FAHRM	Membership	√		√
				Attendance	3/4		3/4
Mr. Paul Okumu	July, 2019	August, 2022	Member	Membership	√		
				Attendance	1/4		

5. Induction Training

The TVET Act No. 29 of 2013 sections 28 and 29 establishes and gives mandate to the Board of Governors to manage the TVET institutions on behalf of the Education cabinet Secretary. The Board is, therefore, required to understand its functions and conduct well, hence the need for induction. The Board underwent induction where the following topics were covered:

- i. Human Resource management
- ii. Financial management and reporting
- iii. Role of Board of Governors in TVET institutions
- iv. Policies, Laws and TVET reforms
- v. Procurement and Asset disposal in TVET institutions
- vi. Project management

6. Board Members Remuneration

The Board members do not receive a salary. They are, however, paid a sitting allowance and transport reimbursement for every scheduled meeting attended. The chairman does not receive a monthly honorarium.

Shared Belief

The Board of Governors and management have a shared belief that corporate governance is a continuous process and that good corporate governance must be embedded in our culture to support our values of discipline, high moral standards and integrity which are fundamental to the long term success and sustainability of our mandate as an institution of higher learning



Prof. Benard Muok

Date: 29/07/21

CHAIRMAN – BOARD OF GOVERNORS

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational and Financial Performance

Management's Discussion and Analysis

The following management's discussion and analysis provides a comprehensive overview of the financial position of Nyakach TVC as at June 30th, 2021 and its changes in financial position for the year then ended, as compared with the financial year 2019/2020.

During the year under review, financial reporting of Nyakach TVC included 7 academic departments, offering 9 diploma programmes, 12 Craft Certificate programs and 6 Artisan programmes, with 479 trainees enrolled.

The college conducts its activities on 7.5 acres of land.

The college's annual financial report includes four basic financial statements:

- i. The Statement of Financial Performance,
- ii. the Statement of Financial position,
- iii. statement of cash flows and
- iv. Statement of comparison of Budget and Actual Amount.

OPERATION & FINANCIAL PERFORMANCE AS AT 30 JUNE, 2021

Details	2020/2021FY	2019/2020 FY
	KSHS.	KSHS.
REVENUE	21,877,423	6,319,186
EXPENDITURES	18,041,677	3,987,186
PROFIT/LOSS	3,835,756	2,337,864

These statements focus on the financial performance of Nyakach TVC, the changes in financial position, cash flows of the college's activities and compliance with the approved budget respectively.

Financial Highlights

The college's annual financial position as at June 30, 2021, improved with an increase in net position of Kshs 1,497,892

Revenue from Non-Exchange Transactions was the major source of funding for the college.

During the year under review, the enrolment was at 479 trainees compared to 133 trainees in the financial year 2019/2020.

(Under this section, the management gives a report on the operational and financial performance of the organisation during the period, college's key projects or investments decision implemented or ongoing, college's compliance with statutory requirements, major risks facing the organisation, material arrears in statutory and other financial obligations, and any other information considered relevant to the users of the financial statements.) The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

1. Sustainability Strategy and Profile

TVET institutions are charged with the responsibility of creating a knowledge-based society that upholds justice, democracy and accountability. In this regard, Nyakach TVC is under duty to promote a culture of compliance with laws, civility and human decency in behaviour among the NTVC community and between the NTVC community and the outside world. At the same time, the government, communities, development partners and other stakeholders continue to make substantial investment to support higher education programs and projects.

In the last year the college has benefited from CDF through partial fees payment for various trainees. It is our hope that the administrators, political players and stakeholders will continue with their goodwill in harnessing financial support which will not only be of great use to the College, but also in helping it, amongst other institutions, position themselves in terms of TVET training in line with Vision 2030.

The government's effort is appreciated within the context of TVET Act of 2013 on Technical and Vocational Education and Training, Research and Innovation. This has given much impetus to the allocation of funds to TVET institutions in form of students' capitation, HELB loans and bursaries and infrastructural development fund in the implementation of the "big 4" Agenda.

The College is exposed to a variety of challenges that must be addressed. At institutional level, the increase in the number of trainees enrolled in regular programmes has not been matched by the desire for expanded infrastructure such as lecture halls and lecture rooms, library, offices, workshops and laboratories, hostels and other facilities. Nyakach TVC has increasingly been compelled to address its funding shortfall from alternative sources, and this taking time to be realised. The inadequate water supply and lack of access road to the college is also a major challenge that the college management is dealing with.

The Kenya Vision 2030 has accorded science, technology and innovation high priority.

The vision is based on the realization that in an increasingly knowledge-based and globalized world, Science, Technology and Innovation (ST&I) are essential, both for social and economic progress and for global competitiveness of our nation. Nyakach TVC is a critical driver of innovation systems and the resultant development in science, technology and innovation.

Technical education is essential for economic progress and for global competitiveness of our nation and is also central in productivity and the socio-economic transformation of the country. The Sector Plan for Science, Technology and Innovation (2013/2017) provides for revitalization and harnessing of science, technology and innovation for Kenya's prosperity and global competitiveness. In this regard, human resource development, research and knowledge generation will be strengthened at NTVC to enhance their application in national production systems for sustainable development.

In line with the fourth agenda of the "Big 4" and the Vision 2030, NTVC has the knowledge and capacity to deliver on the Manufacturing agenda. It only needs to improve and expand the workshops and accredit them to meet the set standards for the local and international market. Further, the college hopes to, construct and equip an Automotive Engineering workshop.

Environmental performance

Protection of the environment in which we live and operate is part of our organizational cultural values and principles and we consider it to be a sound business practice. Care for the environment is one of our key responsibilities and an important part of the way in which we do business. We commit to:

- i. Provide a framework for planning and sustainable management of NTVC's environment.
- ii. Strengthen the institutional and individual capacity for effective management of the environment.
- iii. Ensure sustainable management of the College's environment and its surrounding.
- iv. Ensure cooperation, collaboration, partnerships and participation in the protection, conservation and management of the environment by all stakeholders.

Application of these principles and practices will make a significant contribution to the College's environmental sustainability programs. The Management therefore ensures that the College reduces the environmental impact by:

- i. Engaging with staff, students and the surrounding communities to encourage environmentally sustainable behaviour.
- ii. Planting of trees to minimize greenhouse gas emissions in operations and work towards carbon neutrality
- iii. Minimizing use of natural resources such as water, non-renewable energy and paper.
- iv. Minimizing the use of hazardous substances.

Employee welfare

When a vacant position arises, an advertisement is placed. The adverts usually contain a caption indicating that the college is an equal opportunity employer. Women, persons with disabilities and marginalised communities are encouraged to apply. Nyakach technical and vocational college hiring follows the process below;

- Need identification.
- Advertisement
- Short listing.
- Interview.
- Selection.

In the course of hiring process, the relevant stakeholders like the heads of departments are involved in every stage of the recruitment process in order to get the best fit for the Departments. The Board also takes part in the interviews to ensure a balanced perspective and transparency in the recruitment process. Returns are made after the interviews to the Ministry of Education on the recruitment of Public Service Commission trainers.

Efforts made by the College to improve employees' skills include:

- i. Carrying out a training needs assessment
- ii. Paying for trainings to build their competencies in various areas and also pays for their membership in professional bodies.
- iii. Having in- house programs for training staff in their areas of specialization in order to improve their skills.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

The College carries out an annual appraisal process during which employees are evaluated in order to identify their strengths and weaknesses and recommendations are given to improve on the identified weak areas.

On health and safety, the college provides protective devices such as gumboots, safety hand gloves, and protective masks to its employees as a safety measure to comply with Occupational Safety and Health Act of 2007, (OSHA), In addition the College has fire extinguishers mounted in designated points to be used in case of fire. Kitchen staffs are given head caps and aprons for protection and to promote hygiene.

Market place practices-

The management also ensured that we dealt responsibly, openly and fairly with clients and partners/stakeholders by:

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

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

The Institution has mechanisms (such as tracking whether trainers and trainees attend classes, feedback from trainees on service delivery) put in place in ensuring that students get quality service delivery and value for money.

Corporate Social Responsibility / Community Engagements

The college did not engage much in corporate social responsibility in the year under review. However it fabricated and donated five (5) hand washing machines to two churches, the CDF office and the KCB Sondu and Kisumu branches respectively.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the unaudited financial statements for the year ended June 30, 2021 which show the state of the college's affairs.

Principal activities

The principal activities of Nyakach TVC continue to be the provision of quality education, training, research and innovation in partnerships with stakeholders. And to provide alternative source of income to the institution.

Results

The results of the college for the year ended June 30 are set out on page

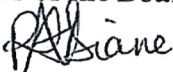
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi to viii. During the financial year 2020/2021 no member retired nor resigned from the Board

Auditors

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

By Order of the Board



Mrs Risper D. A Odhiambo
PRINCIPAL

Date: 28/09/2021

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XI. STATEMENT OF BOARD OF GOVERNORS/BOARD MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, 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 members to prepare financial statements in respect of Nyakach 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 members are also required to ensure that the Nyakach Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Nyakach Technical and Vocational College. The board members are also responsible for safeguarding the assets of the college.

The board members are responsible for the preparation and presentation of the Nyakach Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of the Nyakach Technical and Vocational College for and as at the end of the financial year (2020/2021) ended on June 30, 2021. 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 Nyakach Technical and Vocational College ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

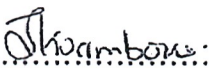
The board members accept responsibility for Nyakach Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act, and the TVET Act. The board members are of the opinion that the Nyakach Technical and Vocational College's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2021, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for Nyakach Technical and Vocational College, which have been relied upon in the preparation of Nyakach Technical and Vocational 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 Nyakach Technical and Vocational 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 Nyakach Technical and Vocational College's financial statements were approved by the Board of Governors on 28th September 2021 and signed on its behalf by:

Name: Prof. Benard Muok

Signature: .....

Chairperson of the Board/Board

Name: Mrs. Risper D. A Odhiambo

Signature: .....

Accounting Officer/Principal

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NYAKACH TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Nyakach Technical and Vocational College set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of

budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Nyakach Technical and Vocational College as at 30 June, 2021, 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 do not comply with the Technical and Vocation Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements submitted for audit revealed the following inaccuracies and inconsistencies;

- i. Inconsistencies in the notes to the financial statements: -

Component Description	Reference Note	Actual Note
Transfers from Other Levels of Government	Note 1	Note 6(a)
Rendering of Services – Fees from Students	Note 3	Note 7
Sale of Goods	Note 11	Note 7
Other Income	Note 4	Note 9
Use of Goods and Services	Note 15	Note 10
Employee Costs	Note 16	Note 11
Repairs and Maintenance	Note 19	Note 12
Finance Costs	Note 22	Note 13
Cash and Cash Equivalent	Note 26	Note 14 and 26(a)
Current Portion of Receivables from Exchange Transactions	Note 27(a)	Note 15 and 27 (a)
Receivables from Non-Exchange Transactions	Note 28	Note 16
Property, Plant and Equipment	Note 31	Note 17
Trade and Other Payables from Exchange Transactions	Note 34	Note 18
Refundable Deposits from Customers	Note 35	Note 19

- ii. The statement of financial position reflects a balance of Kshs.3,185,000 in respect of receivables from non-exchange transactions while Note 16 to the financial statements reflects a balance of Kshs.2,685,000 resulting to an unreconciled and unexplained variance of Kshs.500,000.

In addition, the statement of financial position reflects Kshs.1,761,819 in respect of current portion of receivables from exchange transactions balance while Note 27(a) to the financial statements reflects a balance of Kshs.4,594,319 resulting to an unreconciled and unexplained variance of Kshs.2,832,500.

Further, the statement of financial position reflects Nil balance in respect of property, plant and equipment while Note 17 to the financial statements reflects a balance of Kshs.61,716,670.

- iii. The statement of financial performance as disclosed in Note 1 to the financial statements reflects transfers from other levels of Government amount of Kshs.11,105,000. However, this amount includes Kshs.622,500 in respect of transfers that relate to 2019/2020 financial year. The revenue item is therefore overstated.

Further, the of statement of financial performance reflects fees from students amount of Kshs.10,535,423. However, the total recomputed amount received and receivable from students was Kshs.17,818,147 resulting to an unexplained and unreconciled variance of Kshs.7,282,724.

- iv. The statement of financial performance as disclosed in Note 10, 17 and 11 to the financial statements reflects use of goods and services, property plant and equipment and employee costs of Kshs.11,673,129, Kshs.61,716,670 and Kshs.2,310,500 respectively. However, review of the supporting documents revealed that the amounts varied with the amounts reflected in the schedules provided for audit as indicated below;

Item	Amount as per Financial Statements (Kshs.)	Amount as per Schedule (Kshs.)	Variance (Kshs.)
Other Income	37,000	35,000	2,000
Use of Goods and Service			
Travelling and Accommodation Expenses	464,670	476,670	12,000
Training Expenses	180,000	-	180,000
Administration Cost	1,216,713	2,051,490	(834,777)
Registration	295,500	292,500	3,000
Security	624,000	520,000	104,000
Activity	235,700	265,100	(29,400)
Repairs and Maintenance	1,909,635	927,135	982,635
Electricity, Water, Examination Fees, Tender Costs, Student Union, Postage, Telephone Expenses, Internet Expenses	2,652,954	2,486,530	166,424

Item	Amount as per Financial Statements (Kshs.)	Amount as per Schedule (Kshs.)	Variance (Kshs.)
Employee Cost			
Compensation of Employees	2,310,500	1,805,250	505,250
Current Portion of Receivables from Exchange Transactions	1,761,819	7,807,732	6,045,913
Property, Plant and Equipment			
Land and Buildings	60,000,000	65,949,107	5,949,107
Furniture	1,716,670	3,426,000	1,709,330

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

2. Unsupported Board Allowances

The statement of financial performance as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.11,673,129, which includes an amount of Kshs.1,211,458 in respect to Board members allowances. However, review of payment documents and attendance records revealed that Management paid Kshs.297,500 to board members for meetings not attended.

In the circumstances, the accuracy and completeness of the Board members allowances amount of Kshs.1,211,458 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total final budget and actual receipts of Kshs.56,878,240 and Kshs.21,877,423 respectively resulting to an underfunding of Kshs.35,000,817 or 62% of the budget. Similarly, the College spent

Kshs.8,041,667 against a total expenditure budget of Kshs.44,623,500 resulting to an under expenditure of Kshs.26,581,833 or 60% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on the delivery of services to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-compliance with Statutory Deductions

Review of accountable records of the College revealed that Management did not deduct NHIF and NSSF which are statutory deductions. This was contrary to Section 20(1) of the National Social Security Fund Act, 2013 and Section 15(1) (c) of the National Hospital Insurance Fund Act, 2012.

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

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the College was thirty-five (35) out of which thirty-one (31) or 89% of the total number were from the dominant community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

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

3. Irregular Appointment of Board Members

Review of Board of Governors records operations revealed that no induction programme for new members while no competency needs assessment was carried out for Board members during the year under review. This was contrary to the Mwongozo Code of Governance for State Corporations on Board Induction and continuous skills development.

Further, review of compliance with prescription on Board and Chief executive officers' terms of service and entitlements revealed that appointment of Board was not done by notice in the Kenya Gazette. This was contrary to Chapter 1.1.11 of Mwongozo which states that each board member shall be formally appointed to the Board through a gazette notice and thereafter appointment letter.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit and Inactive Audit Committee

The College had not established an internal audit function, contrary to Section 73(1) of the Public Finance Management Act, 2015 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

Further, although the College had established an Audit Committee, no meetings were convened by the Committee during the period under review contrary to Regulation 179 (1) of the Public Finance Management Regulations, 2015 which states that the audit committee shall meet at least once in every three months.

In the circumstances, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 overall governance.

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

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

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

Those charged with governance 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I considered internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My

consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 October, 2022

XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government–grants/ gifts in kind	6	500,000.00	1,497,000.00
Transfers from other levels of government(CAPITATION)	1	10,605,000.00	1,245,000.00
			2,742,000.00
Revenue from exchange transactions		11,105,000.00	
Rendering of services- Fees from students	3	10,535,423.00	3,577,050.00
Sale of goods	11	200,000.00	0.00
Other income	4	37,000.00	0.00
Revenue from exchange transactions		10,772,423.00	3,577,050.00
Total revenue		21,877,423.00	6,319,050.00
Expenses			
Use of goods and services	15	11,673,129.00	2,536,741.00
Employee costs	16	2,310,500.00	1,099,100.00
Repairs and maintenance	19	1,909,635.00	202,500.00
Finance costs	22	3,148.00	2,845.00
General Expenses		933,797.00	
Board Members Allowances		1,211,458.00	140,000.00
Total expenses		18,041,667.00	3,981,186.00
Net Surplus for the year		3,835,756.00	2,337,864.00

The notes set out on pages 7 to 21 form an integral part of the Annual Financial Statements.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	26	1,000,392.00	3,847,046.00
Current portion of receivables from exchange transactions	27(a)	1,761,819.00	375,250.00
Receivables from non-exchange transactions	28	3,185,000.00	0.00
Inventories	29	0.00	0.00
Investments	30	0.00	0.00
Total Current Assets		5,950,211.00	4,222,296.00
Non-current assets			
Property, plant and equipment	31	0.00	0.00
Investments	30	0.00	-
Intangible assets	32	0.00	0.00
Investment property	33	0.00	0.00
Long-term receivables from exchange transactions	27(b)	0.00	0.00
Total Non-Current Assets.		0.00	0.00
Total assets		0.00	0.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	1,946,388.00	0.00
Refundable deposits from customers	35	168,067.00	161,9970.00
Current Provisions	36	0.00	0.00
Finance lease obligation	37	-	0.00
Current portion of borrowings	41	0.00	0.00
Deferred income	38	0.00	0.00
Employee benefit obligation	39	0.00	0.00
Payments received in advance		0.00	0.00
		2,114,455.00	0.00
Non-current liabilities			
Non-current employee benefit obligation	39	0.00	0.00
Non-current provisions	40	0.00	0.00
Borrowings	41	0.00	0.00
Service concession liability	42	0.00	0.00
Deferred tax liabilities	49	0.00	0.00
		0.00	0.00
Total liabilities		0.00	0.00
Net assets		0.00	0.00
Reserves		0.00	0.00
Accumulated surplus		3,835,756.00	2,337,864.00
Capital Fund		0.00	0.00
Total net assets and liabilities		5,950,211.00	4,222,296.00

The Financial Statements set out were signed on behalf of the College Board/ Board of Governors by:

J. Muok
 Prof. Benard Muok
 Chairman of Board of Governors

Ms. Mildred A Otiao
 Ms. Mildred A Otiao
 Finance Officer
 ICPAK No- 28200

Mrs. Risper D. A Odhiambo
 Mrs. Risper D. A Odhiambo
 Principal

Date 29/09/2021

Date 28/09/2021

Date 28/09/2021

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

During the financial year under review, the college had not revalued its assets hence could not report on changes in net assets for the year

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		500,000.00	1,497,0000.00
Transfers from other Government entities (Capitation)		10,605,000.00	1,245,000.00
Public contributions and donations		0.00	0.00
Rendering of services- Fees from students		10,535,423.00	3,577,050.00
Sale of goods		200,000.00	0.00
Rental revenue from facilities and equipment		0.00	0.00
Finance income		0.00	0.00
Other income		37,000.00	0.00
Total Receipts		21,877,420.00	6,319,050.00
Payments			
Compensation of employees		2,310,500.00	647,100.00
Use of goods and services		11,673,129.00	1,479,559.00
Board Members Allowances		1,211,458.00	140,000.00
Contracted Services		0.00	0.00
R.M.I		1,909,635.00	202,500.00
Other payments		10,283,000.00	0.00
Finance cost		3,148.00	2,845.00
Total Payments		17,104,722.00	2,472,004.00
Net cash flows from operating activities		4,772,698.00	3,847,046.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(0.00)	(0.00)
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		(-)	(0.00)
Cash flows from financing activities			
Proceeds from borrowings		0.00	0.00
Increase in deposits		0.00	0.00
Net cash flows used in financing activities		(0.00)	(0.00)
Changes In Working Capital			
(Increase)/Decrease in receivables		9,567,650.00	
(Increase)Decrease in payables		1,948,388.00	0.00
Increase (decrease) in refundable deposits			
Net cash flows from financing Activities		-7,619,262.00	
Net increase/(decrease)in cash and cash equivalents		-2,846,654.00	(0.00)
Cashandcashequivalentsat1July 2020	26	3,847,046.00	0.00
Cashandcashequivalentsat30 June2021	26	1,000,392.00	3,847,046.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	KShs	KShs	KShs	KShs	KShs	%
Transfers from other Govt entities Govt grants	27,000,000.00	0.00	27,000,000.00	500,000.00.00	(22,000,000.00)	100
Transfers from other Govt entities (Capitation)	17,490,000.00	0.00	17,490,000.00	10,605,000.00	(6,885,000.00)	41.72
Public contributions and donations	0.00	0.00	0.00			-0
Rendering of services- Fees from students	12,388,240.00	0.00	12,388,240.00	10,535,423.00	(1,927,346)	7
Sale of goods	0.00	0.00	0.00	-	-	100
Finance Income	0.00	0.00	0.00			100
Other Income	0.00	0.00	0.00	0.00	0.00	100
Gains on disposal, rental income and agency fees	0.00	0.00	0.00			0
Total income	56,878,240.00	0.00	56,878,240.00	21,540,423.00	(38,487,846.00)	68
Expenses						
Compensation of employees	4,055,400.00	0.00	4,055,400.00	2,310,500.00	1,744,900.00	57
Use of Goods and services	12,254,740.00	0.00	12,254,740.00	11,673,129.00	6,389,345.00	95
R.M.I	2,212,000.00	0.00	2,212,000.00	1,909,635.00	302,365.00	86
Board Members Allowances	1000,000.00	0.00	1000,000.00	1,211,458.00	211,458.00	12.1
General Expenses	37,356,100.00	0.00	37,356,100.00	-	(-)	100
Grants and subsidies paid	0.00	0.00	0.00			100
Total expenditure	56,878,240.00	0.00	56,878,240.00	18,041,667.00		30
Surplus for the period	-	0.00	-	3,835,756.00		-

Budget Notes

- 1) The treasury allocation was received less of ksh.10,605,500 of what was budgeted of ksh.17,490,000 making the institution to receive Kshs.6,885,000 during the fiscal period 2020/2021 FY under review.
- 2) Covid -19 outbreak paralysed learning making it not possible to fully collect the budgeted revenue for the financial period under review.
- 3) The Treasury development grant was not received for the financial period under review.
- 4) Use of goods and services reduced because of proportional revenue to meet such expenditures. The college did commit beyond their revenue base.

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Nyakach Technical and Vocational College is established by and derives its authority and accountability from Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and the Technical and Vocational Education and Training Act, 2013 Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is provision of quality education, training, research and innovation in partnerships with stakeholders globally.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act.2012, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021: During the financial year under review other improvements to IPSAS had not been effected.
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The college does not operate with financial instruments covered under this section, hence this IPSAS 41 does not apply.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The college does not operate other social benefits It is only operating with NSSF as the only social benefit hence this IPSAS 42 does not apply.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: ii) The financial year under review the college had not used IPSAS 41 and it does not apply.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. Early adoption of standards

The college is adopting IPSAS accruals for the second time and has taken into account clauses under IPSAS 33.

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 college 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 college 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 college.

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.

During the Financial year under review Nyakach TVC did not receive any interest income since there is no savings account maintained by the college.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Dividends

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

During the financial year under review Nyakach TVC did not share out any dividends since none is operational.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

i) Revenue from exchange transactions (continued)

b) Budget information

The college'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 f* of these financial statements.

c) Taxes

Sales tax/ Value Added Tax

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

1. 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.
2. 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.

c) 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 college 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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

f) Research and development costs

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

1. The technical feasibility of completing the asset so that the asset will be available for use or sale
2. Its intention to complete and its ability to use or sell the asset
3. How the asset will generate future economic benefits or service potential
4. The availability of resources to complete the asset
5. 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.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

g) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

During the Financial year under review Nyakach TVC was not owed any loan by any third party hence no calculation of impairment losses.

Held-to-maturity

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

During the Financial year under review Nyakach TVC did not have any financial asset withheld to maturity

Impairment of financial assets

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

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

• **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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) Inventories (Continued)

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

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

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

• **Provisions**

Provisions are recognized when the College 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 College 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 College 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 College 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 College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- **Changes in accounting policies and estimates**

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

- **Employee benefits**

Retirement benefit plans

Currently, Nyakach TVC does not have any defined benefit retirement plan except NSSF. But is in the process of streamlining its Human Resource policy.

- **Related parties**

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

- **Service concession arrangements**

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

- **Cash and cash equivalents**

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

During the financial year under review Nyakach TVC cash and Cash equivalents amounted to: (*see table below*)

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
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CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	2020-2021	2019-2020
Bank Balances	KShs	KShs
KCB Current account Main a/c	747,660.00	3,635,085.00
Total Bank Balances	747,660.00	3,635,085.00
Cash Balances		
Cash at Hand	252,732.00	211,960.00
Total Cash Balances	252,732.00	211,960.00
Total cash and cash equivalents	1,000,392.00	3,847,046.00

- **Comparative figures**

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

The college is adopting IPSAS for the second time hence have comparative figures. Nyakach TVC have used comparative figures for financial year 2020/2021 and 2019/2020 while reporting on its financial statements.

- **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, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the College'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 College 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 College. 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:

- (i) The condition of the asset based on the assessment of experts employed by the College
- (ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (iii) The nature of the processes in which the asset is deployed

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

- (iv) Availability of funding to replace the asset
- (v) Changes in the market in relation to the asset

Provisions

During the Financial year under review Nyakach TVC did not have any provision.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	10,605,000.00	1,245,000.00
Operational grants	500,000.00	1,497,000.00
Other grants	0.00	0.00
	11,105,000.00	2,742,000.00
Conditional grants		
Library grant	0.00	0.00
Hostels grant	0.00	0.00
Administration block grant	0.00	0.00
Laboratory grant	0.00	0.00
Learning facilities grant	0.00	0.00
Other organizational grants	0.00	0.00
Total government grants and subsidies	11,105,000.00	2,742,000.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	3,092,331.00	
Activity fees	426,004.00	
Industrial attachment fees	98,400.00	
Examination fees	231,055.00	
Library fees	176,072.00	
Administration	1,842,490.00	
R.M.I	953,488.00	
L.T&T	595,147.00	
E.W.C	593,297.00	
Personal Emoluments	2,337,995.00	
Medical	111,168.00	
Students Union	77,967.00	
Total revenue from rendering of services	10,535,423.00	

8. INCOMING GENERATING ACTIVITIES

Description	2020-2021	2020-2019
	KShs	KShs
Sale of goods		
Production Unit	200,000.00	0.00
Total revenue from sale of goods	200,000.00	0.00

9. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Income from sale of tender	37,000.00	0.00
Total other income	37,000.00	0.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	3,764,265.00	0.00
Industrial attachment costs	47,819.00	0.00
Electricity	1,649,039.00	0.00
Water	18,000.00	0.00
Security	624,000.00	0.00
Activity	235,700.00	0.00
Subscriptions	120,000.00	0.00
Examination fees	421,940.00	0.00
Tender costs	11,600.00	0.00
Student Union	20,500.00	0.00
Travelling and accommodation	464,670.00	0.00
Students accommodation	74,500.00	0.00
Production Unit	79,700.00	0.00
B.O.G meetings	1,211,458.00	0.00
Administration costs	1,216,713.00	0.00
Postage	7,725.00	0.00
Printing and stationery	349,150.00	0.00
Telephone expenses	120,000.00	0.00
Internet expenses	55,000.00	0.00
Training expenses	180,000.00	0.00
Registration	295,500.00	0.00
Total goods and services	11,673,129.00	0.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	1,686,500.00	0.00
Employee costs	1,686,500.00	0.00

12. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Furniture and fittings	1,909,635.00	0.00
Total repairs and maintenance	1,909,635.00	0.00

13. FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Bank Service charge	3,148.00	0.00
Total finance costs	3,148.00	0.00

14. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	2020-2021	2019-2020
Bank Balances	KShs	KShs
KCB Current account Main a/c	747,660.00	3,635,085.00
Total Bank Balances	747,660.00	3,635,085.00
Cash Balances		
Cash at Hand	252,732.00	211,960.00
Total Cash Balances	252,732.00	211,960.00
Total cash and cash equivalents	1,000,392.00	3,847,046.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26(a).DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021 KShs	2019-2020 KShs
Current account	1263854613		
Kenya Commercial Bank, etc		747,660.00	3,635,086.00
Sub- total		747,660.00	3,635,086.00
On - call deposits			
Kenya Commercial bank		0.00	0.00
Equity Bank –etc		0.00	0.00
Sub- total		0.00	0.00
Fixed deposits account			
Kenya Commercial bank		0.00	0.00
Bank B		0.00	0.00
Sub- total		0.00	0.00
Staff car loan/ mortgage			
Kenya Commercial bank		0.00	0.00
Bank B		0.00	0.00
Sub- total		0.00	0.00
Others(specify)			
Cash in transit		0.00	0.00
cash in hand		252,732.00	211,960.00
Mobile Money account		0.00	0.00
Sub- total		252,732.00	211,960.00
Grand total		1,000,392.00	3,847,046.00

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Student debtors	1,409,319.00	375,250.00
Rent debtors	0.00	0.00
Consultancy debtors	0.00	0.00
Other exchange debtors	3,185,000.00	0.00
Less impairment allowance	(0.00)	(0.00)
Total current receivables	4,594,319.00	375,250.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27(b) Long- term Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Non-current receivables		
Student Union	117,840.00	0.00
Advance payments	168,067.00	0.00
Public organizations	0.00	0.00
Less impairment allowance	(0.00)	(0.00)
Total	285,907.00	0.00
Current portion transferred to current receivables	(0.00)	(0.00)
Total non-current receivables	0.00	0.00
Total receivables	631,814.00	0.00

27 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
At the beginning of the year		0.00
Provisions during the year	0.00	0.00
Recovered during the year	(0.00)	(0.00)
Write offs during the year	(0.00)	(0.00)
At the end of the year	0.00	0.00

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Capitation grants*	2,685,000.00	622,500.00
Transfers from other govt. entities	0.00	0.00
Undisbursed donor funds	0.00	0.00
Other debtors(non-exchange transactions)	0.00	622,500.00
Less: impairment allowance	(0.00)	(0.00)
Total current receivables	2,685,000.00	1,245,000.00

During the Financial year under review Nyakach TVC received KShs 2,685,000 Q 4 for e 2020/2021Fy after the year end on 30th June 2021 and Q3 for the financial year 2019/2020 Kshs.622, 500

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

Description	2020-2021	2019-2020
	KShs	KShs
At the beginning of the year	1,245,000.00	0.00
Additional provisions during the year	0.00	0.00
Recovered during the year	(622,500.00)	(0.00)
Written off during the year	(622,500.00)	(0.00)
At the end of the year	0.00.00	0.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fixtures	Comput- ers	Other Assets (Specify)	Plant and equip- ment	Capital Work in progress	Total
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
At 1 July 2020	60,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000,000.00
Additions	0.00	0.00	1,716,670.00	0.00	0.00	0.00	0.00	1,716,670.00
Disposals	(0.00)	(0.00)	(0.00)	0.00	(0.00)	-	(0.00)	(0.00)
Transfers/adjustments	0.00	(0.00)	0.00	(0.00)	(0.00)	-	0.00	(0.00)
At 30th June 2021	60,000,000.00	0.00	1,716,670.00	0.00	0.00	0.00	0.00	1,716,670.00
Additions	0.00	0.00	0.00	-	-	-	-	-
Disposals	(0.00)	-	-	-	(0.00)	-	-	-
Transfer/adjustments	(0.00)	0.00	-	-	-	-	-	(-)
At 30th June 2020	60,000,000.00	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2020	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Impairment	(-)	-	-	-	(-)	-	-	(-)
At 30th June 2021	0.00	-	-	-	-	-	-	-
Depreciation	(-)	(-)	(-)	-	(-)	(-)	(-)	(-)
Disposals	-	-	-	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)	-	-	(-)
Transfer/adjustment	-	(-)	(-)	-	(-)	-	(-)	-
At 30th June 2020	-	-	-	-	-	-	-	-
Net book values								
At 30th June 2020	-	-	-	-	-	-	-	-
At 30th June 2021	60,000,000.00	0.00	1,716,670.00-	-	-	-	-	61,716,670.00-
/								

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	1,946,388.00	0.00
Fees paid in advance	168,067.00	0.00
Employee advances	0.00	0.00
Third-party payments	0.00	162,820.00
Other payables	0.00	0.00
Total trade and other payables	2,114,455.00	162,820.00

19. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Prepaid fees	166,915.00	161,997.00
Student Union	117,840.00	43,367.00
Other refundable deposits	0.00	0.00
Total deposits	284,755.00	205,364.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. FINANCIAL RISK MANAGEMENT

The college activities expose it to a variety of financial risks: Credit risk and liquidity risk..

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

(i) **Price Risk;**

Price risk is the risk that the value commodities will change in prices due to factors of demand and supply.

Nyakach TVC was adversely affected by an increase in prices of commodities and services due to the outbreak of Covid -19.

(ii) **Cash flow and interest rate risk:**

Interest rate risk arises out of long /short term borrowings Nyakach TVC has no long/short term borrowings from any financial institution.

(iii)**Credit risk**

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

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

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2020				
Receivables from exchange transactions	3,577,050.00	3,577,050.00	0.00	0.00
Receivables from non-exchange transactions	2,742,000.00	2,742,000.00	0.00	0.00
Bank balances	3,635,086.00	3,635,086.00	0.00	0.00
Total	9,954,136.00	9,954,136.00	0.00	0.00
At 30 June 2021				
Receivables from exchange transactions	11,105,000.00	11,105,000.00	0.00	0.00

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Receivables from non-exchange transactions	10,535,423.00	10,535,423.00	0.00	0.00
Bank balances	747,660.00	747,660.00	0.00	0.00
Total	22,388,083.00	22,388,083.00	0.00	0.00

(iv) Liquidity risk management

Liquidity risk is the risk that the college will not be able to meet its financial obligations as and when they fall due.

Due to the dynamic nature of the college business, the college maintains flexibility in funding by maintaining availability under committed credit lines. The college approach when managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risk damage to the institutes reputation.

However, external factors such as non-payment of fees by trainees due to outbreak of covid-19 did create serious constrain on the liquidity of the institute during the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(v) Market risk

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

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

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

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

i. Foreign currency risk

Foreign exchange risk arises from recognised assets and liabilities. Nyakach TVC operates within Kenya and its assets and liabilities are denominated in Kenya shillings.

At the moment, Nyakach TVC has no transactions in foreign currency as all of our transactions are done in Kenyan shillings.

The carrying amount of the college's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a) Market risk (Continued)

3 Interest rate risk

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

Management of interest rate risk

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

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- The National Government;
- Ministry of Education;
- Board of Governors;

22. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	KShs	KShs
Authorised for	0.00	0.00
Authorised and contracted for	0.00	0.00
Total	0.00	0.00

During the financial year under review the college had not received any capital funding.

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. EVENTS AFTER THE REPORTING PERIOD

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

24. ULTIMATE AND HOLDING COLLEGE

The college is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

25. CURRENCY

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

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

During the current year under review the college did not have an external audit report since it was not audited.



Mrs. Risper D. A Odhiambo
PRINCIPAL

25/09/2021
.....
DATE

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX III: TRANSFERS FROM STATE DEPARTMENT OF TVET

COLLEGE NAME:		NYAKACH TECHNICAL AND VOCATIONAL COLLEGE		
Break down of Transfers from the State Department of Technical And Vocational Training				
FY 20/21				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		24 th July 2020	622,500.00	2019/2020 FY
		13 th November 2020	2,475,000.00	2020/2021 FY
		3 rd March 2021	2,475,000.00	2020/2021 FY
		28 th April 2021	2,347,500.00	2020/2021 FY
		29 th July 2021	2,685,000.00	2020/2021 FY
		Total	10,605,000.00	

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

~~28,200~~ → 28,200

Finance Officer
Nyakach TVC

Head of Accounting Unit
Ministry of Education

NYAKACH TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Don or Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education		Recurrent	7,920,000.00	7,920,000.00	-	-	-	-	7,920,000.00
Ministry of Education		Development	-	-	-	-	-	-	-
Ministry of Education		Direct Payment	-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Total			7,920,000.00	7,920,000.00	-	-	-	-	7,920,000.00

During the financial year under review the college received the actual amount from the government grant capitation of Kshs.7, 920,000