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 <b>REPORT</b>	
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**ON**

**KASARANI TECHNICAL AND  
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

09 JUN 2021

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*Learning the practical value of knowledge*

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# **KASARANI TECHNICAL AND VOCATIONAL COLLEGE**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

**PREPARED IN ACCORDANCE WITH THE ACCRUAL BASIS OF ACCOUNTING METHOD UNDER THE  
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)**

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**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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# KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Kasarani Technical and Vocational College was established under the TVET Act on 26 April 2017. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education. The institution has nine academic departments namely: Electrical & Electronics, Welding & Fabrication, Mechanical & Automotive, ICT & Computing, Hospitality, Agriculture and Business Studies. In addition, it has other departments headed by: The Deputy Principal, The Registrar, Dean of Students and the Finance Officer.

### (b) Principal Activities

The principal activity of Kasarani Technical and Vocational College is to be a centre of excellence in technical training and to be CBET focused.

### (c) Key Management

Kasarani Technical and Vocational College's day-to-day management is under the following key organs:

- The Board of Governors
- The Principal
- The fiduciary Management which comprises: Deputy Principal, Registrar, Dean of Students, and the Finance Officer.

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	David O. Onyimbo
2.	Deputy Principal	Stephen G. Mwangi
3.	Registrar	Richard Amari
4.	Dean of Students	Vitalis Wangila
5.	Head of Finance	Simon Mwachofi

### (e) Fiduciary Oversight Arrangements

Kasarani technical and Vocational College has in place several fiduciary oversight committees that act as enablers of the institution:

#### i. Infrastructure and Finance Committee:

This committee sets up viable policies that dictate how the college's assets and funds are managed. It set up the school fees structure and is always available for consultation on financial matters affecting the college.

It is chaired by CPA Dr. Elizabeth Kalunda and its members include Eng. Abraham Korir, Mr. Oliver Rumiti, the Principal and the County Director.

#### ii. Education Committee:

The committee looks into and supports all academic matters of the college providing guidance on training methods and practices, courses and their uptake as well as advising management on education matters.

It is chaired by Madam Ruth Owuor and its members include Mr Dennis Odhiambo, Ms Pauline Kyule, The Principal and the County Director.

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**iii. Human Resource Committee:**

This committee is in-charge of staff affairs and deals with employee issues in the college. It advises the management of Human resources practices and is in the process of coming up with a Human resource manual for use in the college. It is also tasked with interviewing employees to be hired by the Board.

It is Chaired by Mr. Oliver Rumiti, and its members include Madam Pauline Kyule, Madam Marjorie Wasonga and the Principal.

**(f) Entity Headquarters**

Kasarani Technical and Vocational College  
Kamulu Shopping Center, Off Kang'undo Road  
P.O. Box 51898-00200  
Nairobi, Kenya

**(g) Entity Contacts**

Telephone: (+254) 0716685054  
E-mail: [kasaranitechnical@gmail.com](mailto:kasaranitechnical@gmail.com)  
Website: [www.kasaranitechnical.ac.ke](http://www.kasaranitechnical.ac.ke)

**(h) Entity Bankers**

Kenya Commercial Bank  
Kencom House,  
Moi Avenue,  
P.O. Box 48400-00100,  
Nairobi, Kenya.

**(i) Independent Auditors**



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

**(j) Principal Legal Adviser**



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

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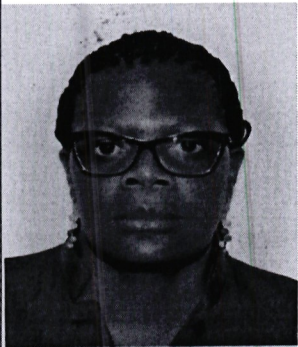
**II. THE BOARD OF GOVERNORS**

 <p>1. John Kariuki Kamuiru Board Chairman</p>	<p>Mr. John Kamuiru was appointed as the first BOG Chairman on 29 January 2018. He holds a Bachelor’s Degree in Education (Science) and a Master of Science in Project Management (JKUAT) currently pursuing a PhD in Project Management.</p> <p>He is an Educationist and Trainer with over 17 years professional experience in the field of Education and training. He also works closely with the youths as a life coach where he helps many youths in setting lifetime goals.</p> <p>He is currently a lead Consultant and a Programs Director at The DEED Institute (The Diaspora Institute of Employability and Enterprise Development) which is accredited by NITA to offer formal and Vocational training.</p>
 <p>2. Oliver Rumiti Lugalia Board Member</p>	<p>With over 25 years’ experience in the tourism industry, having grown from a Tour Leader, through to operations manager and finally to the post of managing director, He possess wide knowledge and skills in tourism gained through hands on experience. He has a Bachelor of Arts degree in tourism management &amp; social sciences and currently pursuing a master’s degree in International Relations. He also sits in the Ethics and Standard Sub-committee of the Kenya association of tour operators (KATO). He also fluently speaks Spanish and understands Italian and Portuguese.</p> <p>He is a member of the Kenya Museum society, Nature Kenya and the Kenya Professional Safari Guide Association.</p> <p>He is an international marketing oriented individual and have worked with the government of Kenya on how to open up new tourist attractions. Currently he is an entrepreneur running a Tours and Travel firm.</p>
	<p>CPA Dr. Elizabeth Kalunda was appointed as a member BoG of Kasarani TVC on 29 January 2018. She hold a Doctorate (PhD) in Business Administration, Banking from the University of Nairobi, an MBA, Accounting from the same Institution and a Bachelor of Education, Family and Consumer Sciences/Home Economics Teacher degree from Moi University, She is also</p>




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 <p>3. CPA Dr. (PhD) Elizabeth Kalunda Board Member</p>	<p>a Certified Public Accountant of Kenya (CPA-K). She is a seasoned finance and accounting professional who has over the years been involved in financial training as a trainer and consultant in various government and private institutions. Currently she serves as an Associate Professor of Finance and Accounting at the United States International University, Nairobi as well as a Council Member at the Institute of Certified Public Accountants of Kenya (ICPAK)</p>
 <p>4. Pauline M. Kyule Board Member</p>	<p>Pauline Mbatha Kyule was appointed as a member of BoG for Kasarani TVC on 29 January 2018, and she is a member of both Human Resource and Education Committees. Holds a bachelor's degree in commerce (Procurement &amp; Supply Chain Management) from the University of Nairobi. She is a registered member of Kenya Institute of Supplies Management (KISM). She is currently working with School Equipment Production Unit (SEPU) in Procurement section.</p>
<p>5. Dennis O. Odhiambo Board Member</p>	<p>Dennis Ojwang Odhiambo was appointed a member of the board Kasarani TVC on 29 January 2018 and serves as a member of education committee and Vice-Chair of the BoG. He is currently pursuing a Master of Science in Information systems and Technology at the United States International University (USIU-Africa) and is a holder of a bachelor's degree of education-Mathematics from Kenyatta University. A seasoned ICT professional with over 11 years of rich experience in , ICT Project Management and implementation, ICT governance and Management, Business process mapping and optimization, review and implementation of ICT Infrastructure , design and implementation of Disaster recovery systems and Planning for business continuity,</p>

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	<p>data analysis and report presentation, He is currently associated with Adept Systems LTD-Kenya-As an ICT Project Manager where the focus is on management of Systems integration, development and implementation of ICT roadmaps, Software Development and Customization, ERP review and security audit He has successfully managed several projects including –DFID Education Programme Software development and integration, East Africa Development Bank(EADB) ICT scoping among other projects.</p>
 <p>6. Marjorie W. Nangulu Board Member</p>	<p>Marjorie Wasonga Nangulu was appointed a member of the board, Kasarani TVC on 29 January 2018 and also, she is a member of Human Resource Committee. She holds a master’s degree in Tourism Management and a Bachelor of Commerce Degree. She has various management and leadership certifications over the years. She has a vast experience in International banking spanning over 17 years. Most recently she served on the Board of Mathare Teaching and Referral hospital and in the audit and finance committee. The last 3 years she also served on the board of Chemelil Sugar Company as a Board member and chairperson of the audit committee. In addition to serving on the Kasarani TVC, she also sits on the audit committee of Nairobi County. She runs her own practice as a customer experience consultant and proprietor within the hospitality industry.</p>
 <p>7. Ruth Akinyi Owuor Board Member</p>	<p>Ruth Owuor is an effective and passionate Education Administrator with over 14 years of experience in the management of Education programmes. She uses her Master’s in Education (Education Planning) and an undergraduate degree in Education to impacting knowledge and education with a view of giving the young, from education foundation to training, a chance to make something of themselves in the future. Her further professional training on Strategic Leadership Management and Senior Management Courses have led to a dedicated commitment to working on implementing inclusive policies targeting vulnerable and disadvantaged children and youth in issues of accessing education. She has been the director for city education since 2014 and remains passionate about working across difference to achieve inclusive and impactful</p>

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	<p>education for Kenya's youth through initiating formulating and implementing of Education guidelines in the County.</p>
 <p>8. Eng. Abraham Korir Board Member</p>	<p>Appointed a member of BoG Kasarani TVC on 29 January 2018. Also, a member of Infrastructure committee. Holder of B.Sc. (Civil Engineering) from the University of Dar es Salaam. Professional Engineer registered with Engineers Board of Kenya (EBK) and Corporate member of Institute of Engineers in Kenya (IEK) Previously worked with Roads Sector in technical activities like Road design, planning, maintenance and construction. Also assigned administrative roles such as deputizing the Principal-KIHBT, representing PS for Roads, Mechanical &amp; Buildings services rendered at District and Provincial levels.</p>
 <p>9. Maryan Abdi Hassan Board Member/ County Director of TVET, Nairobi County</p>	<p>Madam Maryan is the current Nairobi County TVET Director. Holds a bachelor's degree in education science from Kenyatta University, Diploma in Education (Science) and Diploma in Education (Management). She is currently pursuing Master of Education (Educational Planning and Administration) at Catholic University of Eastern Africa (CUEA). She is fully qualified, experienced and dynamic professional with 18 years teaching experience, 11 years' managerial responsibilities, 1 ½ years humanitarian and relief work experience. A Dynamic leader, resourceful, adaptable and able to work in all conditions. Strong conflict resolution skills and effective negotiator. Facilitator on emerging issues and governance. A result-oriented, creative and reliable team player who strives for excellence in all tasks assigned.</p>
 <p>10. David O. Onyimbo Board Secretary/ Principal</p>	<p>Mr. David O. Onyimbo is a holder of a Master of Business Administration (Strategic Management) degree, a Bachelor of Business Administration (Accounting and Finance) and also has a Diploma in Technical Education, and currently pursuing his PhD in Business Administration (Strategic Management). He is the current Principal of Kasarani Technical and Vocational College and a seasoned administrator with a proven track record and extensive experience in matters of education. Before being deployed to Kasarani Technical and Vocational College as the principal, he had the privilege of serving at The</p>

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	<p>Eldoret National Polytechnic under different capacities over the period of the seventeen years he was with the institution. These included; the Deputy Principal Academics Affairs, Registrar, Deputy Registrar, Coordinator (Town Campus), Head of Business Department, Deputy Head of Business Department as well as the Chairman of the Timetable Committee.</p> <p>In addition to this, he was also appointed a member of various committees among these committees were the Pensions Scheme for Council employees, Strategic planning committee, Tender Committee, Management Committee, Chairperson Performance Contract (Work Environment) as well as the Integrity committee.</p> <p>He has also participated in various short courses, seminars over the years. Among those invaluable sessions include; the Training of Trainers (ToT) Course in Competency Based Education and Training (CBET), Complaints Handling Workshop, Performance Contracting Training, Administration and Management of Examinations, Management in TVET Institutions, Industrial Liaison Officer Roles/Importance of Industrial Attachment and Integrity Assurance Officer's Course.</p>
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**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**III. THE MANAGEMENT TEAM**

 <p>1. David O. Onyimbo Principal.</p>	<p>Mr. David O. Onyimbo is a holder of a Master of Business Administration (Strategic Management) degree, a Bachelor of Business Administration (Accounting and Finance) and also has a Diploma in Technical Education, and currently pursuing his PhD in Business Administration (Strategic Management).</p> <p>He is the current Principal of Kasarani Technical and Vocational College and a seasoned administrator with a proven track record and extensive experience in matters of education. Before being deployed to Kasarani Technical and Vocational College as the principal, he had the privilege of serving at The Eldoret National Polytechnic under different capacities over the period of the seventeen years he was with the institution.</p>
 <p>2. Stephen Gichuki Mwangi Deputy Principal</p>	<p>Mr Stephen Gichuki Mwangi was appointed the Deputy Principal beginning February 2020. He has been a technical trainer for over 20 years with a wealth of experience in the mechanical and electrical departments with a focus on mathematics. He has a Bachelor's Degree in Education Technology</p>
 <p>3. Richard Amari Musungu Ag. Registrar</p>	<p>Mr. Richard Amari has over 10 years work experience in education and training. He is the current acting Registrar for Kasarani Technical and Vocational College (KTVC). He joined KTVC in 2019 from Musakasa TTI where he was the Performance Contracting Coordinator and Head of Electrical and Electronics Department. He has also worked at Zetech College as a Trainer in Electrical and Electronics Department, at Bumbe TTI as Head of Electrical and Electronics Department and St. Peters Mumias Boys High School as Head of Subject – Mathematics. He also serves as a Performance Contracting Coordinator and Access to Information Officer at KTVC. Amari holds a Master of Engineering in Electric Power Systems and its Automation from North China Electric Power University and Bachelor of Education in</p>

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	<p>Technology Education degree from Moi University.</p>
<div data-bbox="256 434 568 842" data-label="Image"> </div> <p data-bbox="212 846 579 913">4. Vitalis Wangila Nyongesa Ag. Dean of Students</p>	<p>Mr Vitalis Wangila is the Ag. Dean of Students. He is an experienced trainer with a demonstrated practical history of working in the Information Communication Technology &amp; Services industry. He holds a Diploma in Computer Studies from NYS Engineering and a Degree in ICTM from Maseno Univeristy. Currently carrying out research work in pursuant of a Master’s Degree in Applied Computing at the University of Nairobi. He is very passionate on System Administration skills and Databases. Professionally, he is certified in OCP (Oracle Certified Professional), CCNA, Comptia Linux+, CompTIA A+, CompTIA N+ and SUSE Certified Linux Admin. Prior to joining Kasarani TVC, Mr Vitalis worked as a training consultant at the Institute of Advanced technology. He is a Presidential Gold Award member.</p>
<div data-bbox="172 987 403 1283" data-label="Image"> </div> <p data-bbox="212 1288 659 1355">5. Simon S. Mwachofi Accountant/ Ag. Finance Officer</p>	<p>Mr. Simon Singo Mwachofi is the Accountant/Ag. Finance Officer. He joined the college in September 2018 having previously worked in the public and private sectors in various accounting roles. He holds a Bachelor of Commerce Degree specializing in Finance and is a holder of CPA (II) qualification.</p>

# KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## IV. CHAIRMAN'S STATEMENT

I am delighted to present our 2019/2020 annual report which indicates how we have gradually registered growth from last year's challenges as a new institution to one that is focused on the execution of our strategy.

We are proud to be a successfully growing institution of choice for trainees and parents in training and for the important contributions we are making to the wider society. At a time of global uncertainty, we believe our important role is to seek solutions for the challenges facing our immediate society and create opportunities especially for the youth of our nation.

During the 2019/2020 financial year, we had embarked on a very determined growth strategy for our institution. It was during this period that the Board of Governors managed to enter into its first Performance Contract with the Ministry of Education. Through this contract we have been able to embark on realizing our mission to ***Provide Quality Competency Based Training in Collaboration with Stakeholders to Produce Competent Human Resource for Commerce and Industry.***

Our strategic objectives to this effect are to:

- i. Produce highly skilled, competent and self-driven human resource for industrial growth,
- ii. Build a sustainable institutional capacity for quality training,
- iii. Establish and improve adequate infrastructural capability,
- iv. Institutionalize and implement an efficient service delivery system, and
- v. Provide extension services to the community and society in general.

Performance Contracting for the broader public sector reforms is aimed at improving efficiency and effectiveness in management of the Public Service and as such it is a useful management tool for measuring performance. Kasarani TVC is now operating under such backgrounds and as management we are committed towards witnessing tremendous growth and clear evidence of improved service delivery. It is our aim to implement the following objectives as we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of Kasarani Technical and Vocational College; therefore, bearing in mind the imperative of inclusivity, we will implement the following Strategic Intentions:

- i. Prepare competent graduates for commerce and industry;
- ii. Develop sustainable capacity that address BIG 4, MTP III and Vision 2030;
- iii. Collaborate and link with institutions and industry locally and globally

It is of significance to report at this point in time that our institution is now better placed to offer competitive training in almost all the listed courses on our website as we are now enjoying a pool of skilled trainers. In the last one year we have received quite a number of trainers from the Public Service Commission to a total of thirty-three (33) to date and we await the deployment of yet another group of trainers to bridge the gaps. This will eventually translate into increased enrolment and ultimate institutional growth.

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Towards the end of the third quarter of the 2019/2020 financial year we witnessed the global Corona Virus (COVID-19) outbreak that impacted negatively not only to our health, lives and economies, but also the education sector. Our learning institutions were closed and this disrupted our programs and mainly so we could not manage to enrol as many new students as projected. This also posed a great challenge in realizing most of our set targets leading to a project completion rate of 35%.

I am now confident that Kasarani TVC is well positioned to meet the challenges of 2020 and beyond by offering societal solutions and generating a sustainable long-term growth in technical training.

Finally, I would like to thank Mr. David Onyimbo-Principal Kasarani TVC, for his dedication. Many thanks to my Board colleagues, leadership of the various committees for their considerable contributions. We all appreciate the enthusiasm, skills and professionalism of our trainers.

Let us all remain staunch to our call in order to achieve our vision of being a leading institution in the provision of competency based education and training.

A handwritten signature in black ink, appearing to be 'J. M. S.', with a small stamp or mark to the right.

**CHAIRMAN, BOARD OF GOVERNORS**

## KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### V. REPORT OF THE PRINCIPAL

As an emerging institute within the Technical and Vocational Training (TVET) sector I feel that Kasarani TVC is on a better path to success as opposed to last year where we grappled with a myriad of challenges. Like a phoenix rising from the ashes I take this opportunity to welcome our stakeholders to see how we have been able to manage the aforementioned challenges and chart a clearer path towards achieving our vision of *Being A Leading Institution in The Provision of Competency-Based Education and Training*. It is worth noting that Kasarani Technical and Vocational College is still a new Technical College under the State Department of Vocational and Technical Training in the Ministry of Education. It was constructed in 2016 and opened its doors in September 2018. The institution sits on a five-acre piece of land at Kamulu area, off Kangundo Road within Kasarani Constituency and it is among the sixty Technical and Vocational Colleges which were constructed by the government to fulfill its promise of constructing and equipping at least one Technical and Vocational College in every constituency. Our core mandate is drawn from the TVET Act (2013) where we shall offer programs up to Diploma level. The functions of Kasarani TVC include the following:

1. To teach and train in Artisan, Craft and Diploma courses examined by KNEC and CDACC.
2. To inculcate and promote micro enterprise activities within the institute and beyond.
3. To in-service the community in awareness in general issues like prevention of drug and alcohol abuse, etc.
4. To develop and implement curricula in response to the demands in the labor market.
5. To foster cultural and religious diversity.
6. To foster linkages with industry and other institutions for the promotion of quality and relevant training.
7. To conduct research and promote innovation.

I would like to thank the Ministry of Education through the Public Service commission for providing us with very capable trainers with vast levels of experience to aid in training our students. Along with the state-of-the-art machinery installed at our institution, our vision of training students at high levels of professionalism will surely become a reality.

Having said so; we were able to partake in Performance Contracting to be able to achieve this vision. With my team, the following objectives were constructed to be able to provide the framework to achieve the said objective:

#### 1) **Service Delivery**

The emphasis here is on ensuring that we offer our services in the most courteous way possible as we serve a wide range of people from diverse backgrounds, cultures and dispositions.

- a) Implementation of Citizen's Service Delivery Charter.
- b) Application of Service Delivery Innovations.
- c) Resolution of Public complaints.

## **KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### **2) Our Core Mandate**

Kasarani TVC's Priority Programmes/Projects (Big Four Initiatives, Vision 2030 Flagship Projects/Programmes, Projects/Programmes) Aligned to SDGs and SPS

#### **a) "Big Four" Initiatives**

##### **i) Manufacturing**

Introduction of two (2) CBET course to support Manufacturing sector –: Welding and Fabrication and Food and Beverage.

##### **ii) Food Security**

Infrastructure Development by renovation and equipping of a kitchen and enhanced student enrolment in the food and beverage courses.

##### **iii) Housing**

Skills Provision and production of Building Materials through training students in the Building department to make concrete posts. This was achieved through procuring of the moulds and acquiring the necessary raw materials.

##### **iv) Health**

Promotion of Universal Health by sensitizing students to register for NHIF health cover.

#### **b) Vision 2030 Flagship Projects**

- i) Establishment and Equipping of Building and Civil Engineering Department by constructing a shed for the Building Department and procuring assorted building tools and practical materials.
- ii) Establishment and equipping of Automotive Department by procuring a training vehicle.
- iii) Participation in the TVET Fair in February/March where we presented several items and used it as a platform to market our college.
- iv) Construction of Perimeter Fence.
- v) ICT Integration in Learning by adding more computers, installing additional internet infrastructure to enhance connectivity and implement a virtual library for the trainees.

### **3) Other Priority programmes/projects**

The management of Kasarani TVC decided to embark on a series of objectives to enhance the student growth which are listed below. Unfortunately, our limited resources hampered our efforts and we were not able to actualize all of these projects.

- i) Construct two (2) temporary classrooms (steel structures) with the help of Building Department.
- ii) Fitting four (4) book shelves in the library.
- iii) Procure additional lecture chairs.
- iv) Construct one (1) outdoor reading shed with a capacity of 20 students.
- v) Advertise in the local radio stations and print media.
- vi) Distributing brochures at TVET fairs, Shows, Exhibitions and Churches.
- vii) Liaising with KUCCPS for placement of students by 30<sup>th</sup> June 2020

We were able to procure an additional One Hundred and Fifty (150) lecture chairs, advertise on The Daily Nation newspaper in August 2019 and distribute brochures at the TVET Fair in Kajiado, in churches and within the local community.

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

During the year our main challenge has been inadequate finances having missed out on capitation and recurrent grants of Quarter 3 and 4 of FY 2018/2019. Our liquidity has been volatile leading to accrual of debts to our suppliers of 1.53% which is higher than the recommended <1%. This, coupled with the lack of handing over means that our Statement of Financial Position still lacks the essential inputs of fixed assets in form of Land and Equipment provided by the Ministry of Education along with the value of the buildings that we occupy. Thankfully we have been able to pay our staff their salaries but the future could be bleak if the capitation fails to arrive like in the last financial year. We have been able to start fencing our compound with the little that we have to be able to secure our assets.

The covid-19 disease has also posed a risk in terms of reducing our performance as activities had to be cut down after learning institutions were shut and a nationwide curfew imposed to curb the spread. I laud the Government of Kenya for this bold move which has definitely saved a lot of lives.

I wish to thank the Ministry of education for all the support they have given us, a vote of thanks is extended to the Higher Education Loans Board for the critical role they have played by providing loans and bursaries to a large majority of applicants from our institution to enable them advance in their studies and to my able staff for the good work they have been doing in training our students and providing administrative assistance.

I wish to thank the Board of Governors of Kasarani TVC for providing the strategic guidance needed to elevate our institution to be among the leading training institutions in Kenya.



**PRINCIPAL/ SECRETARY, BOARD OF GOVERNORS**

**VI. REVIEW OF KASARANI TECHNICAL AND VOCATIONAL COLLEGE'S PERFORMANCE FOR FY 2019/2020**

Kasarani TVC has 5 strategic pillars and objectives within its Strategic Plan for the FY 2020/2021 - 2024/2025. These strategic pillars are as follows:

- Pillar 1: Highly skilled and competent workforce.
- Pillar 2: Improve Infrastructural capability.
- Pillar 3: Sustainable institutional capacity for training.
- Pillar 4: Efficient Service delivery system.
- Pillar 5: Extension Services to the community and society.

Of the five (5) pillars above we have been able to operationalize the first two (2) pillars. Pillar three (3) has been hampered because our facilities are yet to be handed over by the requisite authority while pillars four (4) and five (5) are still in their formative stages hampered by the advent of the Covid-19 restrictions imposed by the Government of Kenya. Therefore, Kasarani TVC develops its annual work plans based on the above 2 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kasarani TVC achieved its performance targets set for the FY 2019/2020 period for its 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Highly skilled and competent workforce	To produce highly skilled, competent and self-driven human resource for industrial growth	Manufacturing – Competency Based Education and Training (CBET)	Introduce 2 CBET courses to support Manufacturing sector –: a) Welding and Fabrication by 31 <sup>st</sup> March 2020 b) Food and Beverage by 31 <sup>st</sup> March 2020	The two CBET courses introduced were Manual Arc Welding level 4, Food and Beverage Level 5 and Food and Beverage Level 4 COVID – 19 pandemic affected enrolment
		Food Security – Enrolment of Student in Food Security related courses	Enroll 20 students in Food Security related courses by 30 <sup>th</sup> June 2020	We managed to enrol 19 students

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

				<p>a) Enroll additional 10 students in Food and Beverage department. b) Enroll 10 students in Agri-Business department.</p>	
			<p>Housing – Skills Provision and production of Building Materials</p>	<p>Train 10 students in producing affordable concrete posts by undertaking the following activities: i. Procure molding tools for making concrete posts by 31<sup>st</sup> January, 2020. ii. Acquire raw materials for making concrete posts by 31<sup>st</sup> January, 2020</p>	<p>Moulding tools were procured Concrete posts were produced by students in the building department</p>
			<p>Establishment and Equipping of Building and Civil Engineering Department</p>	<p>Establish and equip the Building and Civil Engineering Departments by undertaking the following activities: i. Construct a shed for Building Department by 31<sup>st</sup> March, 2020 (40%) ii. Procure assorted building tools and practical material worth Ksh. 300,000 by 31<sup>st</sup> March, 2020 (60%)</p>	<p>We achieved 40% by procuring building tools and practical material. The low achievement was due to financial constraints</p>
			<p>Establishment and Equipping of Automotive Department</p>	<p>Equip the Automotive Department by undertaking the following activities; i. Procuring a grounded motor vehicle worth Kshs. 500,000 for training by 31<sup>st</sup> December 2019 (50%)</p>	<p>We achieved 50% by procuring a grounded motor vehicle for training. The low achievement was due to financial constraints.</p>

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

				<p>ii. Construct a shed for Automotive Department by 31<sup>st</sup> March 2020 (50%)</p>	<p>We achieved 100% by holding a successful symposium and participating in TVET Fair</p>
			<p>Participate in TVET Fair</p>	<p>Participate in the TVET Fair by undertaking the following activities;</p> <p>i. Hold one (1) symposium for students in the Institution by 31<sup>st</sup> January, 2020 (60%)</p> <p>ii. Present the following two (2) innovations to the TVET fair by 31<sup>st</sup> March, 2020;</p> <p>a. Environmentally friendly building materials (20%)</p> <p>b. Innovative mobile application (20%)</p>	
			<p>ICT Integration in Learning</p>	<p>Increase internet connectivity from 200 users to 500 users by undertaking the following activities;</p> <p>i. Procure additional 10 desktop computers to increase from 20 computers to 30 computers by 31<sup>st</sup> May 2020. (40%)</p> <p>ii. Implement a virtual library by creating a centralized learning resource. This will entail subscribing to online reference materials in five (5) computers 30<sup>th</sup> June 2020. (40%).</p> <p>iii. Install two (2) wide range Hot Spot to serve student's center, library, staffroom, administration and the resting sheds by 31<sup>st</sup> March, 2020. (20%)</p>	<p>We achieved 20% by installing additional hotspots. The low achievement was due to financial constraints.</p>



**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

				<p>the help of Building Department by 30<sup>th</sup> June 2020 (40%)</p> <p>ii. Fitting four (4) book shelves in the library by 30<sup>th</sup> June 2020 (20%)</p> <p>iii. Procure additional 300 lecture chairs by 30<sup>th</sup> June 2020 (40%)</p>	
			Construction of Outdoor Reading Shed	Construct one (1) outdoor reading shed with a capacity of 20 students by 30 <sup>th</sup> June, 2020	This was not achieved due to financial constraints.

**VII. CORPORATE GOVERNANCE STATEMENT**

The Board of Governors of Kasarani Technical and Vocational College is constituted of 10 members including the Chair, Secretary and members. In the Financial year 2019/2020 the board has met Nine (9) times over the course of the year for both general meetings and committee meetings with high attendance levels by the members. The roles of the board are oversight and management of the college activities. Members have been able to provide any and every assistance that has been asked of them by the Management team and are also able advice on policies and growth strategies for the betterment of the Institution.

During these meetings The Board, through the Human Resource Committee, was able to conduct interviews for staff in various positions in August 2019 leading to hiring of an Assistant Accountant, Secretary, Storekeeper and IT Technician beginning November 2019.

The board is also keen on enhancing the growth of the college and through Performance Contracting several strategies were passed which included marketing the college extensively via media sources as well as introducing various courses in the institution and enabling funding to buy equipment for these courses to be able to thrive and attract more students especially hospitality courses that are in demand from the myriad of inquiries that were recorded at the college; to this effect the board was able to avail funds for the management to begin the Craft Certificate in Food and Beverage: Production and Service course through hiring of trainers and provision of equipment. Other courses that were approved include: Manual Metal Arc Welding Level 4, Horticulture Nursery Management, Automotive Technician Level 5 and Food and Beverage Level 4 which are all TVET-CDACC Courses aimed at achieving the Big 4 Agenda. The infrastructural developments that were approved include: Additional Classrooms, Additional Computers, Reading shades and a Kitchen.

The Board also took part in hiring of new trainers through the Public Service Commission on May 2020 where shortlisting and Interviews took place with the most suitable candidates being considered and recommended to the Public Service Commission for deployment.

The Board has also been able to prepare the Budget for the Incoming Financial Year 2020/2021 and approve the use of funds disbursed by the Ministry of Education during the Financial Year 2019/2020. The Principal Secretary, State Department for Technical and Vocational Education and Training directed that The Boards of all TVET institutions cease being signatories of bank accounts held by the college and The Board of Kasarani TVC has already initiated the process of handing over these responsibilities to The Management in compliance with the directive.

So far there have been no cases of conflict of interest or ethical misconduct as the board remains united in delivering its mandate of ensuring Kasarani Technical and Vocational College grows to be one of the leading Technical Institutions in the country.

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

Kasarani TVC began the year with 251 trainees steadily growing to 424 trainees by the time our doors were shut due to the outbreak of Covid-19 disease. We had targeted 643 students which would have been a 61% increase in population. Unfortunately, due to the catastrophe that rocked the globe we only managed an increase of 41% in our population. We were also able to receive trainers from the Public Service Commission enabling us to effectively establish departments as shown in table below:

S/ No	Department/Course offered	Trainers In-Post			Student enrollment		
		M	F	Total	M	F	Total
1.	Administration: Principal	1	0	1	-	-	-
	Deputy Principal	1	0	1	-	-	-
2.	Business Department	2	3	5	22	30	52
3.	Agriculture Department	1	1	2	13	12	25
4.	Institutional Management Department	0	1	1	7	19	26
5.	ICT Department	3	1	4	42	29	71
6.	Building and Civil Engineering Department	3	2	5	49	6	55
7.	Mechanical/Automotive Department	1	0	1	28	3	31
8.	Electrical and Electronics Department	8	2	10	144	12	156
9.	Welding and Fabrication Department	2	0	2	8	0	8
10.	Science and Mathematics (Support)	1	0	1	-	-	-
<b>TOTAL</b>		<b>23</b>	<b>10</b>	<b>33</b>	<b>313</b>	<b>111</b>	<b>424</b>

Kasarani TVC was also able to participate in its inaugural audit for the Financial Year 2018/2019 which was undertaken by the Office of the Auditor General and in the course of the audit several risks were noted which were raised and addressed as stated below:

1. **Cash purchases and imprest register-** The Auditor noted that some purchases were made in cash and suppliers were single-sourced: Due to our limited finances we were not able to prequalify suppliers to meet all our needs rather we could only afford to prequalify a supplier for security services. We also made cash purchases owing to our operations which were on a need basis and we also had to try and save as much money as possible when buying items for use within the institution because we had limited funds. We are implementing the recommendations provided to us for better accounting moving forward.
2. **Unsupported expenditure-** The Auditor noted that payments made by the college were not supported by approved requisition notes, local purchase orders and counter receipt notes. As the college has just started operations, we are in the process of establishing internal control procedures to ensure compliance with regulations governing procurement in line with the public procurement and disposal Act of 2015.
3. **Institutional challenges-** The Auditor noted several challenges our institution is facing which are:
  - i. **Handing Over of the facility.** Since the facility was completed in 2016, the contractor is still to hand over the building to the management despite the numerous requests to do so. The College is operating on a facility which has not been officially handed over by the contractor. It has been a real challenge because there are some things the management cannot do without the handing over report. An example, for instance, is that the college is not able to get a completion certificate of the institution without the report which the same person has. This in turn makes it hard to ascertain the value of the College assets, especially the building.
  - ii. **Perimeter Wall.** The institution does not have a perimeter wall. In terms of security, the institution is practically exposed because there is only a make-shift perimeter wall of sorts made from corrugated iron sheets. Management has already made proposals to the relevant

## **KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

departments but up to now nothing seems to be working. The equipment and other facilities of the institution are at high risk of vandalism or burglary. We have addressed this by beginning to fence our college using posts, barbed wire and chain link.

**iii. Work Shops.** Lack of well-equipped workshops in other disciplines to cater for the large numbers of trainees who are eager to pursue these courses. The notable courses lacking equipment include Automotive Engineering, Electrical Engineering (Power), Electronics Engineering, Plumbing, ICT, Food and Beverage, Mechanical Engineering, Building and Civil Engineering, Agriculture (Green House Technology) and Carpentry and Joinery.

**iv. Lack of lecture rooms and chairs.** There are not enough lecture rooms and chairs to cater for the large number of students joining the college. There is need to construct more lecture rooms and acquire more chairs for the classrooms.

**v. Lack of library and books.** Currently the institution lacks a well-equipped library. It is important to have a modern library which should be equipped with books as well as computers so that students could access materials online.

**vi. Lack of staffroom and offices.** At the moment, the staffroom used by the trainers is very small. It can only accommodate ten (10) trainers comfortably, not any more than that. There is also need for offices because HODs do not have offices. Most of them still share the small staff room with other trainers.

**vii. Lack of Dining Hall.** The College does not have a place where students can sit and have their meals from as well as a kitchen to prepare food for them.

**viii. Lack of hostels.** The College does not have hostels to cater for students who are coming from afar. The College has had cases in the past where students have declined to report citing lack of hostels.

**ix. Lack of playing fields.** The College does not have fields that are properly levelled and marked as playing fields. This will enable students to participate in extra curriculum activities. Some will want to explore their talents in sport but there are no playing fields.

**x. Lack of secure doors.** The College does not have doors that are properly fitted and reinforcement by adding grills on them. There is also need to put grills on the windows in order to safeguard college property. The College does not have a CCTV system installed on the premises, as an added layer of security.

**xi. Lack of transportation.** The College does not have a college van for official operations and emergencies, like in cases when a student is sick and the nearest health facility, Mama Lucy Hospital, is over 40 kilometres away from the college. There is a challenge when it comes to college transportation.

**xii. Lack of a proper sewerage system.** The College does not have sewerage line nearby, it is a septic tank. This tank, however, is small in size and its location is not ideal. In future when the student enrolment increases, it will have to be moved farther back than where it currently is, in the middle of the field.

**xiii. Lack of enough staff development programs.** The College does not have trainers who are equipped with the relevant skills especially with the help of our development partners, in order to properly implement CBET Curriculum. If trainers can be trained in industry-standard practices, it will go a long way in elevating the students' learning experience as well. whose genesis is the lack of handing over by the contractor. We have written letters to the Ministry of Education seeking direction on the matter but so far, our efforts have borne no fruits although we will keep trying. We also implored the Office of The Auditor-General to assist us in this matter in whichever way possible.

4. **Single sourcing-** The Auditor noted that the college procured its goods and services through single sourcing as opposed to open tendering; as stated in (1) above, limited funds was our limiting factor in terms of procurement, we could not afford to prequalify suppliers then we be unable to pay them as time went by. We couldn't risk accumulating bills that would stifle our operations and our needs were not as much as in the current financial year where we have endeavoured to prequalify suppliers as our fiscal position improves.
5. **Ownership of land-** The Auditor noted that the college does not have any letters of allotment as proof of ownership of the land thus not recognizing its value in the financial statements: The

## KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

management is currently following up on the title deed with the Ministry of Lands to ensure the security of the property.

6. **Underutilization of the Annual budget-** The Auditor noted that management had underspent on some budget lines owing to low uptake of students, hiring of casuals for administrative roles and some activities not having taken place during the year. The reasons stated above contributed to the underutilization as revenues did not meet the expected targets. The college has initiated marketing activities to increase the student numbers and held interviews for administrative roles to be filled.
7. **Capacity constraint-** The Auditor noted that casual employees were handling key administrative roles and in acting capacity. Some roles especially academic roles like Deputy Principal require appointments by the Public Service Commission which were effected and personnel sent to our college. Others like the Finance officer will be filled in due course.
8. **General ledger on excel-** The Auditor noted that the general ledger was maintained in an Excel spreadsheet which was not password protected exposing it to risk of manipulation or loss. This arose due to the need for record keeping which could only be done on excel as the college is in the process of acquiring an accounting software, consequently the college has incorporated QuickBooks accounting software to aid in this area to ensure security of data and improved record keeping.
9. **Lack of an aged analysis for debtors-** The Auditor noted that management did not maintain an analysis of debtors' movements to capture student debtors. The management will ensure that this scenario does not occur in future hence the incorporation of QuickBooks software to aid in providing this information.
10. **Errors in the financial statements-** The Auditor noted that the college received funds before the FY 2018/2019 and incurred expenses for the same period which were not stated also there were errors detected in the statement of financial position and statement of cash flows. The management has addressed the above errors and prepared the financial statements as requested by the auditor which have been attached along with this letter reflecting the elongated period of 16 months from March 2018 to June 2019.

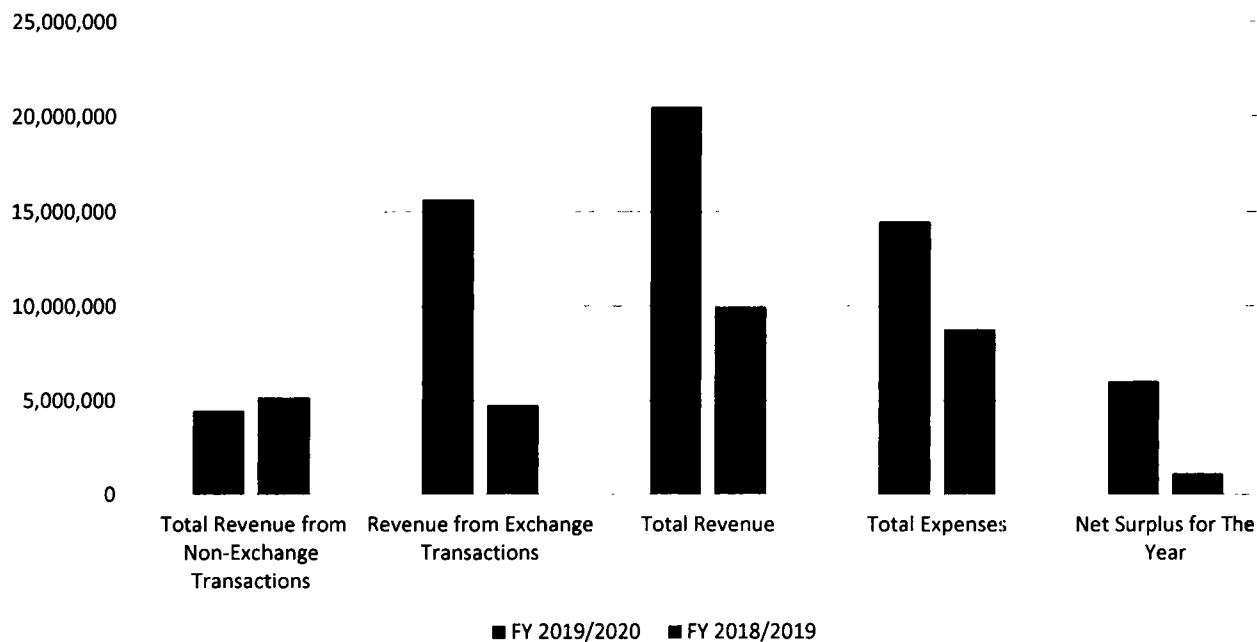
The Auditor recommended that the management should ensure that the annual budget and annual workplan addresses the shortages and challenges above so as to enable implementation.

Kasarani TVC did not undertake any major Projects during the year under review, we finished up a toilet for the male students that we had earlier started working on and began fencing our compound towards the end of the financial year.

Our financial performance can be expressed in the Graph on the next page:

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**KASARANI TVC FINANCIAL PERFORMANCE**

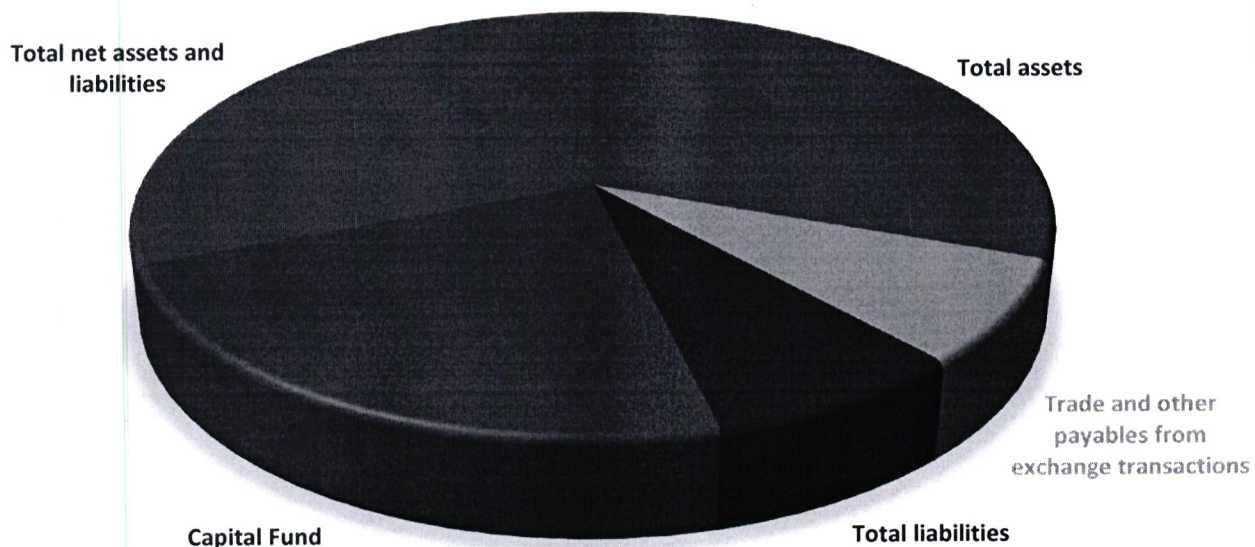


ANALYSIS OF INCOME AND EXPENDITURE: FY 2018/19 VS FY 2019/20		
DESCRIPTION		REASON
<b>INCOME</b>		
Revenue from Non-Exchange Transactions		Failure to receive full capitation grants during the year
Revenue from Exchange Transactions		Increase in student enrollment
<b>EXPENSES</b>		
		Increase expenditure due to KNEC exams and undertaking more activities like Performance Contracting and the TVET Fair

Similarly, our Financial Position can be highlighted as follows:

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**KASARANI TVC FINANCIAL POSITION**



<b>ANALYSIS OF ASSETS AND LIABILITIES: FY 2018/19 VS FY 2019/20</b>		
<b>DESCRIPTION</b>	<b>% CHANGE</b>	<b>REASON</b>
<b>ASSETS</b>		
Receivables from exchange transactions	(31)%	Increased payment of fees by students and other receivables
Inventories	186%	Purchase of additional lecture chairs and staff room chairs
Trade and other payables from exchange transactions	562%	Increase in Supplier debts as a result of incorporation of suppliers through tenders to our supply chain.

# **KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

## **IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Kasarani TVC exists to better the lives of our youth seeking an opportunity to grow and develop the necessary skills to afford them a better life in future. We are Curriculum Based Education and Training thus our policies are aimed at delivering the best possible trainees into the national population who will contribute towards developing the nation through their skills.

### **1. Sustainability strategy and profile -**

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of Kasarani Technical and Vocational College.

Bearing in mind the imperative of inclusivity, we always endeavour to implement the following Strategic Intentions during the Financial Year:

- i. Prepare competent graduates for commerce and industry;
- ii. Develop sustainable capacity that address BIG 4, MTP III and Vision 2030;
- iii. Collaborate and link with institutions and industry locally and globally

### **2. Employee welfare**

As an institute, majority of our employees are drawn from the public service where policies such as the Two-Thirds Gender rule and Regional balance are actively implemented to promote inclusivity and nationalism. This is also effected when hiring support staff by the Board where the above named policies play a key role during recruitment. Staff are exposed to training opportunities geared to increasing their knowledge and skills as well as where responsibilities in various committees require additional training. We were able to train our staff on CBET Implementation in August 2019, HIV awareness in early 2020 among several other internal and external trainings.

### **3. Community Engagements-**

During the year we were able to take part in sporting activities through playing football tournaments with neighbouring institutions. We were also able to take part in the annual TVET Robotics Fair and presented several items at the Fair among them The Design and Implementation of an Automatic Light Control System for Large Halls and a System using CCTV Cameras to Monitor Road Offences, although we did not win, we got to engage with education stakeholders from regulatory bodies like the Technical and Vocational Training Authority (TVETA) and other Technical Institutions where we were able to exchange ideas and market ourselves with the media coverage at the event.

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**X. REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended 30 June 2020 which show the state Kasarani Technical and Vocational College's affairs.

**Principal Activities**

The principal activities of the entity are providing world class technical and vocational training for the people of Kenya.

**Results**

The results of the entity for the period ended 30 June 2020 are set out on page 1-17

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page iv-viii.

**Auditors**

The Auditor General is responsible for the statutory audit of Kasarani Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

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

The Board members are responsible for the preparation and presentation of Kasarani Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of Kasarani Technical and Vocational College for and as at the end of the financial year ended 30 June 2020. This responsibility includes:

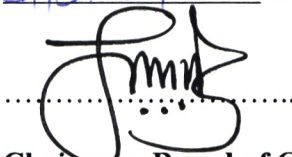
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of Kasarani Technical and Vocational College.
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Kasarani 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 and the TVET Act. The Board members are of the opinion that the Kasarani Technical and Vocational College's financial statements give a true and fair view of the state of Kasarani Technical and Vocational College's transactions during the financial year ended 30 June 2020, and of Kasarani Technical and Vocational College's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for Kasarani Technical and Vocational College, which have been relied upon in the preparation of Kasarani Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

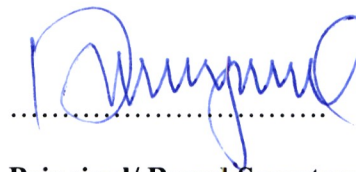
Nothing has come to the attention of the council members to indicate that Kasarani Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of The Financial Statements**

Kasarani Technical and Vocational College's financial statements were approved by the Board on 31/3/2021 and signed on its behalf by:



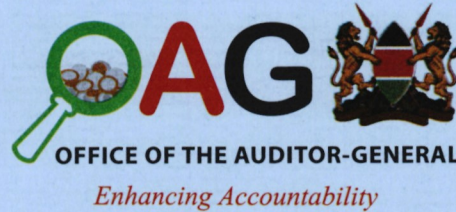
**Chairman, Board of Governors**



**Principal/ Board Secretary**

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## **AUDITOR-GENERAL REPORT ON KASARANI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kasarani Technical and Vocational College set out on pages 1 to 15, which comprise the statement of financial position as at 30 June, 2020 and the statement of financial performance, statement of cash flows, statement of changes in accumulated funds, and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kasarani Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Inaccuracies in Property, Plant and Equipment**

The statement of financial position and as disclosed under Note 12 to the financial statements reflects property, plant and equipment balance of Kshs.780,062. Physical verification revealed that property of undetermined value was excluded from the balance. This included seven (7) acres of land under title No. LR/118/1319 and the buildings thereon, automotive engineering equipment, furniture and fittings, computers, printers and associated software, welding machines, electrical equipment and building and civil engineering equipment.

In addition, included in automotive engineering equipment is a motor vehicle whose ownership documents were not provided for audit verification and land parcel No. LR/118/1319 whose title deed was not provided for verification. Management indicated that the process of acquiring title for the land was underway.

Consequently, the accuracy, completeness, ownership and fair valuation of the property, plant and equipment balance of Kshs.780,062 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

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

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.89,079,862 and Kshs.17,482,195 respectively resulting to an under-funding of Kshs.71,597,667 or 80% of the budget. Similarly, the College expended Kshs.13,863,488 against an approved budget of Kshs.89,079,862 resulting to an under-expenditure of Kshs.75,216,374 or 84% of the budget. Management attributed the failure to meet the budgeted revenues to failure to receive the capitation amount of Kshs.50,000,000 and low student turnout. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 complying 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 the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

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

**Nairobi**

**15 December, 2021**

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE  
2020**

STATEMENT OF FINANCIAL PERFORMANCE	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Revenue from Non-Exchange Transactions</b>			
Transfers from The National Government	1	4,845,000	5,160,000
<b>Total Revenue from Non-Exchange Transactions</b>		<b>4,485,000</b>	<b>5,160,000</b>
<b>Revenue from Exchange Transactions</b>			
Rendering of Services- Fees from Students	2	12,482,995	4,203,014
Other Income	3	154,200	552,000
<b>Revenue from Exchange Transactions</b>		<b>12,637,195</b>	<b>4,755,014</b>
<b>Total Revenue</b>		<b>17,482,195</b>	<b>9,915,014</b>
<b>Expenses</b>			
Use of Goods and Services	4	9,153,745	4,543,122
Personnel Emoluments	5	3,204,000	2,843,493
Board of Governors' Expense	6	790,791	885,250
Repairs, Maintenance and Improvements	7	603,515	504,878
Depreciation and Amortization	8	111,438	-
<b>Total Expenses</b>		<b>13,863,488</b>	<b>8,776,743</b>
<b>Net Surplus for The Year</b>		<b><u>3,618,707</u></b>	<b><u>1,138,271</u></b>

The notes set out on pages 8 to 17 form an integral part of the Annual Financial Statements.

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**XIV. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

STATEMENT OF FINANCIAL POSITION	Notes	2019-2020 Kshs	2018-2019 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	901,988	1,166,788
Receivables from exchange transactions	10	5,343,921	8,119,250
Inventories	11	-	321,500
<b>Total Current Assets</b>		<b>6,245,909</b>	<b>9,607,538</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	780,062	-
<b>Total assets</b>		<b>7,025,971</b>	<b>9,607,538</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	13	2,268,933	598,000
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>2,268,993</b>	<b>598,000</b>
Accumulated Surplus		4,756,978	1,138,271
Capital Fund		-	7,871,267
<b>Total Capital and reserves</b>			<b>9,009,538</b>
<b>Total net assets and liabilities</b>		<b>7,025,971</b>	<b>9,607,538</b>

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Institute Board of Governors by:

James Maina



Chairman, Board of Governors

Date: 31/3/2021

Josiah Nyauncho

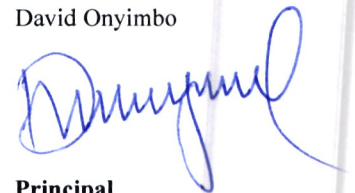


Ag. Finance Officer

ICPAK No ASOCD1082

Date: 31/3/2021

David Onyimbo



Principal

Date: 31/3/2021

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 JUNE 2020**

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019	Revaluation reserve	Capital Reserve	Retained earnings	Capital/ Development Grants/Fund		Total
				Ksh.	Ksh.	
<b>Balance b/f at July 1, 2018</b>	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-
Total comprehensive income	-	-	1,138,271	-	-	1,138,271
Capital/Development grants received during the year	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-
<b>Balance c/d as at June 30, 2019</b>	-	-	1,138,271	-	-	1,138,271
<b>Balance b/f as at July 1, 2019</b>	-	-	1,138,271	-	-	1,138,271
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-
Total comprehensive income	-	-	3,618,707	-	-	3,618,707
Capital/ Development grants received during the year	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-
<b>Balance c/d as at June 30, 2020</b>	-	-	4,756,978	-	-	4,756,978

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

STATEMENT OF CASHFLOWS		2019-2020	2018-2019
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	1	4,845,000	5,160,000
Rendering of services- Fees from students	2	12,482,995	4,203,014
Other income	3	154,200	552,000
<b>Total Receipts</b>		<b>17,482,195</b>	<b>9,915,014</b>
<b>Payments</b>			
Use of Goods and Services	4	9,153,745	100,957
Compensation of Employees- Personnel Emoluments	5	3,204,000	2,843,493
Board of Governors Expenses	6	790,791	885,250
Repairs, Maintenance and Improvements	7	603,515	504,878
Administrative Expenses		-	2,653,945
Security		-	734,805
Local Transport and Travelling		-	142,064
School Equipment and Stores		-	611,351
Audit Fees		-	300,000
Depreciation	8	111,438	-
Decrease in receivables	10	1,321,013	-
Decrease in inventories	11	321,500	-
Increase in payables	13	1,670,993	-
<b>Total Payments</b>		<b>17,176,995</b>	<b>8,776,743</b>
<b>Net cash flows from operating activities</b>		<b>305,200</b>	<b>1,138,271</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(570,000)	-
<b>Net cash flows used in investing activities</b>		<b>(570,000)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(264,800)</u></b>	<b><u>1,138,271</u></b>
Cash and cash equivalents at 1 JULY 2019	9	1,166,788	1,166,788
<b>Cash and cash equivalents at 30 JUNE 2020</b>	9	<b>901,988</b>	<b>901,988</b>

KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF BUDGET AND ACTUAL COMPARISON	Budget		Actual		Budget		Actual		Variance	Cumulative to date	Actual	Cumulative to date	Variance	Explanation of material variances	
	Jul-19	Jun-20	Shs	Shs	Shs	Shs	Shs	Shs							
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs							
<b>Revenue</b>															
Rendering of Services	17,789,729	12,482,995	5,306,734	17,789,729	12,482,995	5,306,734	30%								(a)
Operational Grants	2,000,000	-	2,000,000	2,000,000	-	2,000,000	100%								(a)
Capitation Grants	19,290,133	4,845,000	14,445,133	19,290,133	4,845,000	14,445,133	75%								(a)
Other Income	-	154,200	154,200	-	154,200	154,200	0%								(a)
Development	50,000,000	-	50,000,000	50,000,000	-	50,000,000	100%								(c)
<b>Total income</b>	<b>89,079,862</b>	<b>17,482,195</b>	<b>71,597,667</b>	<b>89,079,862</b>	<b>17,482,195</b>	<b>71,597,667</b>	<b>80%</b>								(c)
<b>Expenses</b>															
Personal Emoluments	2,971,800	1,626,187	1,345,613	2,971,800	1,626,187	1,345,613	45%								(b)
School Equipment and stores	8,101,062	2,920,648	5,180,414	8,101,062	2,920,648	5,180,414	64%								(c)
Local Transport and travelling	3,780,000	130,015	3,649,985	3,780,000	130,015	3,649,985	97%								(c)
Electricity, Water and Conservation	1,120,000	130,242	989,758	1,120,000	130,242	989,758	88%								(c)
Administrative expenses	2,080,000	3,193,166	1,113,166	2,080,000	3,193,166	1,113,166	-54%								(d)
Repairs, Maintenance and Improvements	2,160,000	603,515	1,556,485	2,160,000	603,515	1,556,485	72%								(c)
TVET Activities (Meetings, KATTI/TVET)	2,900,000	90,000	2,810,000	2,900,000	90,000	2,810,000	97%								(c)

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Student ID Cards	1,360,000	71,000	1,289,000	1,360,000	71,000	1,289,000	95%	(f)
	BoG Meetings	907,000	790,791	116,209	907,000	790,791	116,209	13%	(c)
	Library	960,000	-	960,000	960,000	-	960,000	100%	(c)
	Insurance- Students	240,000	-	240,000	240,000	-	240,000	100%	(c)
	Marketing	700,000	133,000	567,000	700,000	133,000	567,000	81%	(c)
	Security Services	1,200,000	868,968	331,032	1,200,000	868,968	331,032	28%	(g)
	Activity fees/ Ball games	1,000,000	618,660	381,340	1,000,000	618,660	381,340	38%	(e)
	Staff Salaries- BoG Trainers	3,000,000	1,577,813	1,422,187	3,000,000	1,577,813	1,422,187	47%	(b)
	Internet	2,200,000	210,563	1,989,437	2,200,000	210,563	1,989,437	90%	(c)
	KUCCPS fees	900,000	127,500	772,500	900,000	127,500	772,500	86%	(c)
	Performance Contracting	1,000,000	471,420	528,580	1,000,000	471,420	528,580	53%	(c)
	Audit fees	300,000	300,000	-	300,000	300,000	-	0%	(c)
	Development	50,000,000	-	50,000,000	50,000,000	-	50,000,000	100%	(c)
	<b>Total expenditure</b>	<b>86,879,862</b>	<b>13,863,488</b>	<b>73,016,374</b>	<b>86,879,862</b>	<b>13,863,488</b>	<b>73,016,374</b>	<b>84%</b>	<b>(c)</b>
	<b>Surplus for the period</b>	<b>2,200,000</b>	<b>3,618,707</b>	<b>-1,418,707</b>	<b>2,200,000</b>	<b>3,618,707</b>	<b>-1,418,707</b>		
	<i>Explanation of material variance</i>								
a)	Movement is due to lower student turnout that anticipated. The expected turnout was 643 students where the budget had been made to cater for whereas the number that reported was 414 which was 229 students less than anticipated. As well lack of receipt of student capitation for the 4th quarter of the year.								
b)	Movement is due to hire of administrative staff on lesser terms of service as well as a reduction in part-time trainers due to an increase in full time trainers provided by the Public Service Commission.								
c)	Movement is due to receipt of less funds than anticipated thus the need to be more prudent with our resources hence unrealized development expenditure.								
d)	Movement is due to KNEC Exam fee for July 2019 series expenditure being catered for as administrative expenses.								

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

e)	Movement is due to having taken place in only one activity, namely TVET Robotics fair in February 2020.				
f)	Movement is due to delays encountered with our bank in procuring the new generation student smart cards that also act as student ID cards and the bank delivering less cards.				
g)	Movement is due to being prudent with our resources in contracting affordable security services that will not be too expensive.				
h)	Also a Major point to note is that as an institution our hands are tied due to the college not being handed over by the contractor thus limiting the scope of our activities.				

# **KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

## **XVIII. NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Kasarani Technical and Vocational College entity is established by and derives its authority and accountability from the Technical and Vocational Education Training (TVET) Act. Kasarani Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. Kasarani Technical and Vocational College's principal activity is offering Technical and Vocational Education.

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

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 Kasarani 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 Kasarani Technical and Vocational College.

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

### **3 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 in our institution are in form of capitation to students that are received from the Ministry of education. Capitation for students admitted into the institution are recognized in the statement of financial performance.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

The entity recognizes revenue from rendering of services by reference to the amount of tuition fees paid by the students by means of deposits into the college bank account. These incomes are recognised in the statement of financial performance.

#### **b) Budget information**

The original budget for FY 2019/2020 was approved by the Board of Governors. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the cash basis to the accrual basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and

## **KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xviii of these financial statements.

### **c) Taxes**

#### ***Current income tax***

Kasarani Technical and Vocational college pays and remits Pay as You Earn (PAYE) for its employees and therefore does not incur income tax liability by virtue of it not being a corporate entity that makes profit. We did incur a late filing penalty for Income tax-company liability for the year 2018.

### **d) Property, plant and equipment**

Due to the fact that our institution is yet to be handed over by the authority that was tasked with acquiring the land and building the institution as well as equipping the institution with the necessary machines and equipment, we have no values to report in the case of property, plant and equipment. Our efforts to have the institution handed over by the Technical University of Kenya and the Contractor who oversaw the construction have borne no fruits.

### **f) Inventories**

Kasarani TVC's inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institution whereby we purchased lecture chairs and plastic chairs to be used by the students for learning purposes. They are recognized in both the statement of financial position and statement of financial performance.

### **g) 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 Kenya Commercial Bank at the end of the financial year.

### **h) Subsequent events**

The Corona Virus (COVID-19) pandemic had a significant impact on the financial statements for the year ended June 30, 2019 as the college was shut down leading to a loss of expected income by the current students and expected admissions as well as putting a halt to the planned activities of the college.

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	2019-2020	2018-2019
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	2,225,000
	-	<b>2,225,000</b>
<b>Conditional grants</b>		
Capitation Grant	4,845,000	2,935,000
<b>Total Government Grants and Subsidies</b>	<b>4,845,000</b>	<b>5,160,000</b>

**1b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2018-2019 KShs
Ministry of Education-State Department of Vocational and Technical training	4,845,000	-	-	4,845,000	5,160,000
<b>Total</b>	<b>4,845,000</b>	<b>-</b>	<b>-</b>	<b>4,845,000</b>	<b>5,160,000</b>

**2 RENDERING OF SERVICES**

Description	2019-2020	2018-2019
	KShs	KShs
Tuition fees	6,506,421	3,209,784
HELB Loans and Bursaries to Students	2,863,000	818,000
KNEC Exam Fees	3,113,574	-
Other Deposits	-	175,230
<b>Total Revenue from Rendering of Services</b>	<b>12,482,995</b>	<b>4,203,014</b>

**3 OTHER INCOME**

Description	2019-2020	2018-2019
	KShs	KShs
Student NG-CDF Bursaries	-	532,000
Log book fees	200	-
Application fees	52,000	-
Tender fees received	92,000	20,000
Food and Beverage Training	10,000	-
<b>Total Other Income</b>	<b>154,200</b>	<b>552,000</b>

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020  
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Electricity, water and Conservancy	-	100,957
Electricity	38,032	-
Water	92,210	-
Security	868,968	734,805
Audit Fees	300,000	300,000
Marketing/ Advertising	133,000	-
Training/Conferences	544,851	-
Postage	9,450	-
Printing and Stationery	429,958	-
Telecommunication And Internet	256,813	-
Interview and Shortlisting Of Public Service Trainers	848,790	-
Other Administrative Expenses	703,580	2,653,945
School Equipment And Stores- Other	2,798,718	611,351
School Equipment And Stores-Concrete Posts	73,230	-
School Equipment And Stores-Food and Beverage Training	48,700	-
Students- Activity, Student Id. Others	618,660	-
KNEC Exam Fees	569,850	-
Registration Fees- KATTI, KUCCPS	217,500	-
Performance Contracting- Allowances	364,000	-
Performance Contracting- Other	107,420	-
Local Transport And Travelling	130,015	142,064
<b>Total Use of Good and Services</b>	<b>9,153,745</b>	<b>4,543,122</b>

**5 PERSONEL EMOLUMENTS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	-	2,843,493
Administrative staff salaries	1,626,187	-
Trainer salaries- Part-timers	1,577,813	-
<b>Total Personnel Emoluments</b>	<b>3,204,000</b>	<b>2,843,493</b>

**6 BOARD OF GOVERNORS EXPENSES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Sitting Allowances	742,250	885,250
Food, Drinks and Related Expenses	22,041	-
Chairman's Transport and Airtime	26,500	-
<b>Total Board of Governors Expenses</b>	<b>790,791</b>	<b>885,250</b>

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7 REPAIRS, MAINTENANCE AND IMPROVEMENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Repairs, Maintenance and Improvements-Other	477,625	504,878
Cleaning and Toiletries	17,470	-
Covid-19 Expenditure	7,010	-
Fencing And Making A Gate	101,410	-
<b>Total Repairs and Maintenance</b>	<b>603,515</b>	<b>504,878</b>

**8 DEPRECIATION AND AMORTIZATION**

Description	2019-2020	2018-2019
	KShs	KShs
Depreciation of Lecture chairs	111,438	-
<b>Total Depreciation and Amortization</b>	<b>111,438</b>	<b>-</b>

**9 CASH AND CASH EQUIVALENTS**

Description	2019-2020	2018-2019
	KShs	KShs
Current Account	896,553	1,166,788
Development Account	5,435	-
<b>Total cash and cash equivalents</b>	<b>901,988</b>	<b>1,166,788</b>

**9 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Description		2019-2020	2018-2019
Financial institution	Account number	KShs	KShs
<b>a) Current Account</b>			
Kenya Commercial bank	1225283809	896,553	1,166,788
<b>Sub- total</b>		<b>896,553</b>	<b>1,166,788</b>
<b>b) Development Account</b>			
Kenya Commercial bank	1225283817	5,435	-
<b>Sub- total</b>		<b>5,435</b>	<b>-</b>
<b>Grand total</b>		<b>901,988</b>	<b>1,166,788</b>

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020  
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10(a) RECEIVABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
Student debtors	5,317,741	8,119,250
Advances to Staff Members	26,180	-
<b>Total current receivables</b>	<b>5,343,921</b>	<b>8,119,250</b>

**10(b) ADJUSTMENT ON STUDENT RECEIVABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
Student debtors	5,317,741	6,638,754
<b>Total current receivables</b>	<b>5,317,741</b>	<b>6,638,754</b>

**11 INVENTORIES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Lecture Chairs (100)	-	300,000
Plastic Chairs (50)	-	21,500
<b>Total Inventories at the Lower of Cost and Net Realizable Value</b>	<b>-</b>	<b>321,500</b>

KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost								
At 1 July 2018	-	-	-	-	-	-	-	-
Additions	-	-	321,500	-	-	-	-	321,500
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	<b>321,500</b>	-	-	-	-	<b>321,500</b>
Additions	-	-	570,000	-	-	-	-	570,000
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	<b>891,500</b>	-	-	-	-	<b>891,500</b>
<b>Depreciation and impairment</b>								
At 1 July 2018	-	-	-	-	-	-	-	-
Depreciation	-	-	40,188	-	-	-	-	40,188
Impairment	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	<b>40,188</b>	-	-	-	-	<b>40,188</b>
Depreciation	-	-	111,438	-	-	-	-	111,438
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	<b>111,438</b>	-	-	-	-	<b>111,438</b>
Net book values	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2020	-	-	780,062	-	-	-	-	780,062
At 30 <sup>th</sup> June 2019	-	-	281,312	-	-	-	-	281,312
<i>Work In Progress: Construction of an exterior toilet block, fencing and making a gate</i>					881,337			881,337

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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

**13 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
General supplier payments	1,666,933	148,000
Audit fees	600,000	300,000
Unclaimed tuition fees	2,000	-
Trade payables- Other	-	150,000
<b>Total trade and other payables</b>	<b>2,268,933</b>	<b>598,000</b>

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**APPENDIX III: INTER-ENTITY TRANSFERS**

	<b>ENTITY NAME:</b>	<b>KASARANI TECHNICAL AND VOCATIONAL COLLEGE</b>		
	<b>Break Down of Transfers From The State Department of Vocational and Technical Training</b>			
	<b>FY 2019/2020</b>			
	Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Quarter 1 Capitation Grants	16 October 2019	1,740,000	2019/2020
	Quarter 2 and 3 Capitation Grants	7 May 2020	3,105,000	2019/2020
		<b>Total</b>	<b><u>4,845,000</u></b>	

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

Finance Officer  
Kasarani Technical and Vocational College

Sign.....

Head of Accounting Unit  
Ministry of Education, Science and Technology

Sign.....

**KASARANI TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	16/10/2019	Capitation	1,740,000	1,740,000	-	-	-	-	1,740,000
Ministry of Education	07/05/2020	Capitation	3,105,000	3,105,000	-	-	-	-	3,105,000
<b>Total</b>			<b>4,845,000</b>	<b>4,845,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,845,000</b>