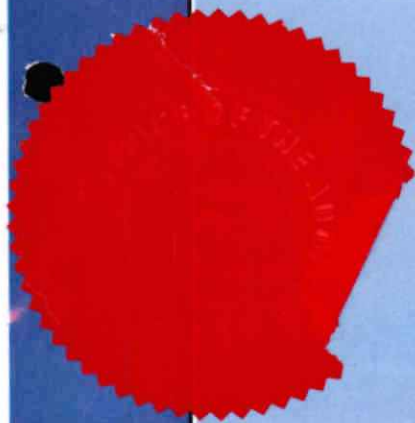



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 JUN 2025	
DAY: Thursday	
TABLED BY:	Hon. Silvanus Osiro (Majority Party Whip)
CLERK-AT THE-TABLE:	Anastacia

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**KANDARA TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR
ENDED 30 JUNE, 2024**



KANDARA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE, 2024

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

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Kandara Technical and Vocational College
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1. Acronyms & Glossary of Terms

BOG	Board Of Governors
COVID – 19	Corona Virus
CSR	Corporate Social Responsibility
ECL	Expected Credit Level
FY	Financial Year
HELB	Higher Education Loan Board
HoD	Head Of Department
IEBC	Independent Electro Boundary Commission
ICT	Information Communication Technology
ICPAK	Institute Of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
KNEC	Kenya National Examination Council
KTVC	Kandara Technical Vocational College
KRA	Kenya Revenue Authority
NBV	Net Book Value
NGAAF	National Government Affirmative Action Fund
NGCDF	National Government Constituency Development Fund
NITA	National Industrial Training Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical Vocational Education Training
Moe	Ministry Of Education
SAGA	Semi Automatous Government Agencies
Fiduciary Management	Key management personnel who have financial responsibility in the college

2. Key College Information and Management

(a) Background information

The college was established under the TVET Act on 1st September, 2019 the Kandara TVC is domiciled in Kenya; the college is under the Ministry of Education. The college was mentored by Muranga University of Technology and later the mentorship was transferred to Michuki Technical Training institute in Muranga County Kangema. The funding for the construction of the college was a joint effort of Ministry of education and Kandara CDF. Sub County. The MoE contributed kshs. 45,800,278 While the Kandara CDF contributed kshs. 10,000,000 and the land where the college is built.

(b) Principal Activities

The principal activity is to offer technical & vocational skills to trainees who meet the minimum academic qualification to be enrolled to the college. The college vision is to be a college of choice in Technical Vocational and Entrepreneurial skills training in Kenya and beyond. Her is to provide Technical and Vocational and Entrepreneurial Skills and Training for nurturing competent, dependable and skilled manpower for global market and the motto is Nurturing Technical Skills and Competence

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1)	Principal	Mercy Kamau
2)	Deputy Principal	Purity Njenga
3)	Registrar	John Mwangi
4)	Dean of Student	Esbon Ndungu
5)	Exams Officer	Benson Mwangi
6)	HOD Building	Simon IrunguGachie
7)	Hod Electrical	John Mutinda Kilonzo
8)	Hod ICT	Judy Waringa Kamau
9)	HOD IM	Catherine Mwangi
10)	Accountant	Elizabeth Mbithi

(e) **Fiduciary Oversight Arrangements**
Audit and risk committee activities

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

Finance and operations committee activities

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

Academic committee activities

- Formulation and Review of the Academic Policy
- Quality Assurance

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

(f) College Headquarters

P.O. Box 17- 01020 Kenol
Thika
Kabati - Kandara Road
Kenol Kenya

(g) College Contacts

Telephone: (254) 0757054561
E-mail: kandaratvc@gmail.com
Website: www.kandaratvc.com

(h) College Bankers

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

Kenya Commercial Bank
1262410754 Murang'a Branch

Equity bank Ltd
0890282699306 Kenol Branch

(i) Independent Auditors





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

(j) Principal Legal Adviser





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

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3. The Board of Governors

No.	Member/ Director	Details
1.	 Mary Njeri Wanyoike Board Chair person	DOB: 1973 Academic Qualifications Bachelors of Business Administration Economics Work Experience Senior manager – NCBA Bank Regional sales manager- National Bank
2.	 Dr. Margaret Mwihaki Nganga Board member	DOB: 1971 Academic Qualifications PHD in Natural Products (Chemistry) MSC in Natural Products (Chemistry) Bachelor in Education (Science) Work Experience Senior lecturer - Kenyatta University Lecturer - Kenyatta University Tutorial fellow – Kenyatta University Academic committee Chair Finance management committee
3.	 CPA James Njuguna Guchu Board member	DOB: 1989 Academic Qualifications Master’s in Business Administration (finance) Bachelor of Commerce (Finance) Certified Public Accountant (CPA K) Certified Financial Analyst Work Experience Finance Manager- Njimia Kenya Ltd Accountant – Kenya Women Finance Bank Finance Committee Chair
4.	 Jeremiah Ongori	DOB: 1985 Academic Qualifications PHD (Health System Manager) Masters in science (Health System Manager) Bachelor in Science (Nursing) Fellow Health Systems Management (FEHESMA) Work Experience Lecturer -Kabarak University

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	Board member	Lecturer/Manager- Outspan Medical College Nursing Services Manager- Consolata Hospital Mathari Nyeri Audit and risk committee
5.	 Harrison Mwangi Board member	DOB: 1988 Academic Qualifications Bachelor in Purchasing and supplies management Work Experience Procurement Officer- Thika TTI Procurement Assistant- Catholic Relief Services Kenya Audit risk Chair person
6.	 Erastus N. Kimuri Board Member	DOB 1955 Academic Qualification MSc In Chemical Engineering Work Experience Lecturer in Defence Staff College and National Defence College on Economic Development and Industrialization for 20 years
7.	 Mercy Kamau Principal/Secretary BOG	DOB: 1975 Academic Qualifications Masters in Education Profession Principal Kandara TVC
8.	 Mr Charles Nyota CDTVET	DOB 1970 Academic Qualifications Masters in Computer Science Work Experience County Director TVET Mt Kenya West

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4. Key Management Team

No.	Member/ Director	Details
1.	Mercy Kamau	Principal
2.	Purity Njenga	Deputy Principal
3.	John Mwangi	Registrar
4.	Esbon Ndungu	Dean of Student
5.	Benson Mwangi	Exams Officer
6.	Simon IrunguGachie	HOD Building
7.	John Mutinda Kilonzo	Hod Electrical
8.	Judy Waringa Kamau	Hod ICT
9.	Catherine Mwangi	HOD IM
10	Elizabeth Mbithi	Accountant

5. Chairman's Statement



On behalf of the BOG, management, staff and students of Kandara TVC would like to thank the Government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution in my term which expired on 24th May, 2024. I am pleased to report that KTVC has continued to perform well in returning exemplary examination results of the KNEC and NITA. I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the college; and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the college in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. The college experienced tremendous student enrolment in year from 513 at the beginning to 759 at the close of the 2023/2024 financial year resulting to 47% population growth.

I thank the Government of Kenya for providing state-of-the-art training equipment, capitation, scholarship for Means Testing Instrument under the new funding model and employment of trainers by the Public Service Commission that have greatly contributed toward increased student enrolment and improved quality of training thus enabling the college align her graduates with regional and global trends and innovation.

Successes

During the year, we witnessed a positive growth in student enrolment owing to reduction in fees payable as a result of Government Capitation approach. This has ensured that technical and vocational training is affordable to every secondary school graduate who meets the required threshold to join post-secondary school training. The initiative of capitation by the government has so far been successful and the future looks quite bright indeed for the prospect of trainers.

In the spirit to excel, we endeavour to be a centre of Excellence in scientific, technological, training and innovation so as to produce competent graduates who are capable of integrating the acquired skills in nation building in line with Vision 2030 and the Big4 Agenda (i.e., food

security, affordable housing, universal health and manufacturing). To this end, KTVC has continuously participated in regional and national athletics and ball games, trade fair, Performance contract, Job fair & exhibitions whereby the trainees have exhibited their patentable innovations in all of the Big 4 Agenda.

Challenges faced

The technical training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes.

KTVC has developed an enterprise risk management policy and framework to ensure that our activities are aligned with our strategic plan objectives. The Board regularly reviews risks identified - such as competition, information & communications technology and credit and operations; and how the risks involved can be mitigated by various risk owners.

Outlook

I am indeed deeply indebted to the members of the board for their unwavering support, commitment and futuristic outlook towards realizing the college's objectives in line with its strategic plan and core mandate of offering market-driven programme. The board is composed of members who have diverse qualifications and experience. I unreservedly assure all our stakeholders that we at KTVC shall remain focused, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward KTVC is committed to working closely in collaboration with, other like-minded entities, colleges, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training. Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, team of trainers and non-trainers, Trainees - and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.

Ms. Mary Njeri Wanyoike

Chairperson: Board of Governors

6. Report of the Principal



Kandara Technical Vocational College is a tertiary institution that is well placed to offer quality and relevant training to her graduates, tailored to ensure they contribute effectively to attainment of the Country's Vision 2030 strategic objectives. I am pleased to provide an overview of important development at Kandara Technical regarding student intake, fees payment and projects undertaken as part of the BETA Program. Our student intake this financial year has seen a significant surge in interest and application from aspiring technical enthusiasts. We received a high number of applications reflecting the growing reputation of Kandara Technical as center of Excellence for Technical Education. This year's intake comprises a diverse cohort of students eager to embark on a journey of skill development and knowledge acquisition. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

Under the guidance of the Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the College's board we were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively. Despite the many challenges brought about by economic constraints, the College nevertheless continued to discharge its mandate of training, research and outreach.

HIGHLIGHTS OF FY 2023/2024 PERFORMANCE

The Financial Year 2023/2024 started on a high note with the Government keen to ensure TVET Institutions absorb as many trainees as possible. in a move to boost student enrolment, the Government emphasized on sustenance of the Main Testing Instrument Scholarship under the New Funding Model. The college has also embarked on the CBET. KTVC participated in celebrations of TVET @ 100 Years, TVET Fairs, Ball games, Athletics, Job fair and Performance contract. For continuing student's Annual students fee remained capped in all TVET at Ksh. 56,420/= with the Government pledge of Ksh. 30,000/= capitation, while encouraging the needy students to apply for HELB Loans & bursaries to cater for the balance of Ksh. 26,420/.

Under the new funding model students applied through the Kenya Universities and College Placement Service (KUCCPS) and The Annual students' fees remained capped at Ksh 67,189/.

Students Enrolment:

FY 2023/2024 enrolment was met with a challenge of insufficient classroom and workshop. We also encountered delay in the capitation fees.

Projects Undertaken

During the Financial Year under review:

- Improving of Building and civil engineering workshop shed
- Acquired Furniture
- Introduction of Diploma in Water Engineering.
- Introduction of Mechanical and Automotive Engineering
- Introduction of short course
- Completed VDI Lab
- Partitioning of Offices and classrooms

Contribution to the BETA PROGRAM

The college continues to equip its students with the relevant competency and skills, as Artisans, Craftsmen and technicians. I have confidence that our students are well equipped with the necessary skills that strategically align them with opportunities within the country, regionally and globally at the same time contributing to the realization of the BETA Program

KTVC being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the college requires a lot of support from the Government and other stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come as the college still growing and needs the facilities that can accommodate the rising number of trainees

On behalf of the College Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairperson of the Board as well as the cooperation of the Management team, all staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

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I look forward to their continued support in the new financial year and the years ahead.

Ms. Mercy Kamau

Principal/Secretary of the Board

7. Statement of Performance against Predetermined Objectives

Kandara Technical & vocational college has 5 strategic pillars and 12 strategic objectives. Within its Strategic Plan for the FY 2022- 2027. These strategic objectives are as follows:

1. To improve infrastructure
2. Enhance access and College Visibility
3. Enhance trainee Enrolment by 1500
4. Enhance student welfare
5. Enhance land acreage
6. Establish production units
7. Improve on the staffing levels
8. Enhance staff competence
9. Facilitate effective governance of the College
10. Integrate ICT in the College's operations
11. To enhance Research and development
12. To Enhance collaboration with the community and the industry

KTVC develops its annual work plan based on the above 12 strategic objectives. The evaluation of the Board's performance against its annual work plan is done annually.

The college achieved its performance targets set for the FY 2023/2024 period for its 12 strategic pillars, as indicated in the diagram below:

Strategic Pillars	Objective	Activities	Key performance	Achievements
Access and Equity	To improve infrastructure	Acquire Furniture	College Generator Trainees & Staffs' chairs and desks	Acquired Trainees & staff chairs and desks with drawers
	Enhance access and College Visibility	Participate in ball games, Athletics, Job fair and TVET Fairs Develop and maintain college website	Records of participation Developing and maintaining website	Presented men soccer team to regional ball games, Presented items in the TVET Fair and Job fair Developed and maintained college

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	Enhance trainee Enrolment by 1000	Establish a HELB and bursaries desk	No of students awarded bursaries	HELB received to the Institutions Account
	Enhance student welfare	Instituted guidance and counselling department	Operation guidance and counselling department	Trained 10 peer counselors Trained 3 trainers in basic. Established guidance and counselling club
Resource Mobilization	Improve on the staffing levels	Determine and Employ/deploy staff based on staff gaps	Adequate staff	Employed 6 bog trainers 2 in building and 1 electrical department, 1 Fashion and design, 1 Hair dressing and 1 Food and beverage. And also, parttime trainers in Mechanical and technician in Electrical and building department
Governance	Facilitate effective governance of the College	Develop and implement KTVC service charter	KTVC Service charter	BoG members initiated KTVC service charter Development
ICT Integration	Integrate ICT in the College's operations	Initiated VDI Lab	VDI lab Setup	Awaiting 100 computers
To Enhance collaboration with the community and the industry	To Enhance collaboration with the community and	Facilitate staff for industrial attachment	No of staff who attended industrial attachment	Attached 100 students in industrial attachment

8. Corporate Governance Statement

During FY 2023/2024, there was 98% eligible attendance at all meetings of the Board

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore,

encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

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

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

1. College Board

The Institute Board consists of the Chairman and five members, who have been appointed in accordance with the TVET Act (2013). The full Institute Board meets at least four times a year and the board committee members meet as the need arises.

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

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The Institute Board members have diverse skill set, a wide range of knowledge and experience of Institute setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the Institute in all strategic, financial, operational and compliance areas. The Institute Board held the following Full Board meetings during the 2023/2024 financial year:

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Full BoG. Meeting Register

Fully BoG Meeting

Name	Designation	6/9/2023	20/12/2023	28/3/2024	24/5/2024	Attendance
Mary Njeri Wanyoike	Chairperson	√	√	√	√	4
Margaret Mwihaki Nganga	member	√	√	√	√	4
James Njuguna Guchu	member	√	√	√	√	4
Harrison Mwangi Njama	member	√	√	√	√	4
Jeremiah Ongori	member	√	√	√	√	4
Charles Theuri Nyota	member	√	√	x	√	4
Erustus N. Kimuri	Member	√	√	√	√	4
Margaret N Karogo	Member	x	x	√	x	1
Mercy Kamau	member	√	√	√	√	4
Total Attendance		7	7	7	7	49

BOARD COMMITTEES

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

1. FINANCE, PLANNING AND DEVELOPMENT COMMITTEE

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;
4. To ensure that accurate records are kept on the establishments in the Institute;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the Institute;

6. To report to the Board on the progress of physical infrastructure development of the Institute;
7. To prepare Institute Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

2. AUDIT AND RISK COMMITTEE

Responsibilities:

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

3. Academic and Human resource committee

Responsibilities:

Human resource

- a) continually examine the College's structure, core functions, staff establishment and if necessary, make proposals for harmonization and rationalization in order to eliminate possible wastage arising from redundancy, overlaps and duplications;
- b) examine policy and procedures on employment

- c) examine the procedures for assessment of needs for employment, staff development and procedures, staff training for operational efficiency and capacity enhancement for further development and consultancy services;
- d) examine and review the terms and conditions of service;
- e) examine the adequacy of the performance and reward system;
- f) examine and review the staff welfare policy
- g) establish & review the human resource policy, college scheme of service and career progression structure make recommendations for broad guidelines; and
- h) Propose innovative ideas for transformation of the college into a world-class college of higher learning and employer

Academic

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations
- c) Development and Implementation of New Programmes
- d) Determination of Resources:
 - i. Human Resource
 - ii. Teaching/Learning Materials
- e) Curriculum Evaluation
- f) Establish Linkage between the College and Industry
- g) Ensure Relevance of Courses to Market Needs
- h) In Charge of Graduations and Academic Awards

3. Board Members' Remuneration

Board members are not paid remuneration but are reimbursed transport costs whenever they attend board meetings.

4. Succession Plan

A board of Governors has a succession plan of three years and a member can serve for a maximum of two terms. The first board term expired on 24th May, 2024

5. Board Charter

KTVC Board has a board charter. The Board is also guided by Mwingozo Code of Governance.

6. Appointment and removal of Board members

Board members are appointed by the Cabinet Secretary. The membership of the Board of Governors comprises of-

- (a) chairperson
- (b) are presentative of the Principal Secretary in the Ministry responsible for TVET
- (c) are presentative of the county Governor of the county within which the institution is located; and
- (d) six other persons appointed on the basis of their know ledge and experience

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary.

7. Induction and Training

Kandara TVC Board of governors was inducted within the month of December 2021/2022 year and exited on May 2024

8. Board and Board Members' Performance

The Board performance evaluation exercise was done in July, 2023.

9. Conflict of interest

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

10. Ethics and Conduct

KTVC Board Members uphold the highest standard of ethics and conduct while executing their mandate.

11. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the Institute towards the achievement of its objectives

12. Internal Controls

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

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

13. Going Concern

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

9. Management Discussion and Analysis

KTVC being a key driver to The Fourth Medium Term Plan (MTP4) 2023-2027 implements the Bottom Up Economic Transformation Agenda (BETA) which is geared towards economic turn around and inclusive growth through a value chain approach.

The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

The institute's operational and financial performance

During the 2023/2024 financial year, the operations of the institute both current and development were affected by delay in receipt of the capitation where the fourth which delayed the implementation of the fourth quarter budget. Also the students under the new funding Model received their scholarship while led to growth in the surplus

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government– Recurrent grants& Capitation	6	15,276,519	5,778,000
Total Revenue from non-exchange transactions		15,276,519	5,778,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	31,222,971	14,280,846
Rental revenue from facilities and equipment	8	196,000	168,000
Miscellaneous & Other Income	9		27,000
Total Revenue from exchange transactions		31,418,971	14,475,846
Total revenue		46,695,490	20,253,846
Expenses			
Use of goods and services	10	18,854,662	11,680,524
Employee costs	11	7,457,609	5,570,500
Board Allowances	12	885,000	988,000
Depreciation and amortization expense	13	1,443,727	1,164,949
Repairs and maintenance	14	273,010	167,120
Finance cost	15	23,417	
Total expenses		28,937,425	19,571,093
Net Surplus for the year		17,758,065	682,753

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Operation performance

(i) Academic performance

In the FY 2023/ 2024, KTVc has committed itself to increase pass rate in technical and business Examination

2023/2024 KNEC examination analysis

Exam series	Registered candidates	No. That passed	Percentage pass
KNEC March 2023	58	44	75
KNEC July 2023	120	110	84
KNEC November 2023	83	49	62
KNEC March 2024	93	67	65

COURSE CODE	COURSE NAME	NO OF ENTRY MARCH 2023	NO OF ENTRY JULY 2023	NO OF ENTRY NOVEMBER 2024	NO OF ENTRY MARCH 2024
0202	Artisan electrical installation	5	13	5	4
0305	Artisan in plumbing	9	17	18	12
0304	Artisan in masonry		2		1
0401	Artisan in garment making	1	2	3	2
0402	Artisan in food and beverage				8
1305	Craft in plumbing	1	22	6	18
1601/1	Craft in electrical installation	13	6	4	5
1704/1	Craft in building technology	6	3	3	1
1801/1	Craft in fashion design			6	
1802/1	Craft in food and beverage		2		5
1920/1	Craft in information technology	2		2	4
1601/2	Craft in electrical installation		10	6	9
1704/2	Craft in building technology	4	2	1	3
1801/2	Craft in fashion design				

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1802/2	Craft in food and beverage		8		
1920/2	Craft in information technology			3	
2906/1	Craft in business management				1
2601/1	diploma in electrical installation	4	4	8	
2705/1	diploma in building technology				1
2803/1	diploma in fashion design		2	1	1
2707/1	diploma in civil engineering	7	11	2	
2920/1	diploma in information technology	2		1	
2601/2	diploma in electrical installation			3	6
2705/2	diploma in building technology				
2803/2	diploma in fashion design				1
2707/2	diploma in civil engineering		16	2	6
2920/2	diploma in information technology	4		4	1
2601/3	diploma in electrical installation				
2705/3	diploma in building technology				
2803/3	Craft in fashion design				
2920/3	Diploma in information technology			5	4
TOTAL		58	120	83	93

2023/2024 NITA examination analysis

Exam series	Registered candidates	No. That passed	Percentage pass
NITA April 2023	42	42	100
NITA August 2023	14	14	100
NITA December 2023	20	20	100
NITA April 2024	24	20	100

(ii) Students' population growth

In the FY 2023/ 2024, KTVC had the below student's enrolment as per departments

Department	Total Enrolment
Electrical and Electronics	177
Building and Civil engineering	328
Institutional management	194
Information Communication Technology	54
Business management	6
Total	759

Within the year, the college population grew from 513 students at the beginning of the term to 759 as at end of the 2023/2024 financial year.

(iii) Compliance with Statutory Requirements

During the 2023/2024 financial year, the College complied with all statutory requirements. The Institution does not have any non-compliance that may result to any potential litigation issues or exposure to contingent liabilities.

(iv) Major Risks

Operational Risks

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

- 1) Failure to collect the full income owing
- 2) Some students fail to pay their full fees
- 3) Some debtors from non-tuition activities delay paying for services rendered.
- 4) The College is facing the risk of insecurity which is prevalent in the country

Risk Mitigation Strategies

- 1) Strict enforcement of the fees payment policy
- 2) Enhancing debt collection measures
- 3) Enforcement of the 100% payment on admission or on reporting back in new term

Market risks

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

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

Risk Mitigation strategies:

- 1) Aggressive marketing of programmes
- 2) Enhance the diversity and quality of the College programmes
- 3) Enhancing the staff working environment and improving staff welfare

Capital risks

The College is not exposed to any capital risks.

Liquidity risk

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

Risk Mitigation strategies:

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

Material arrears in statutory and other financial obligations

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

Financial probity and serious governance issues

The College does not have any cases of financial improbity

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

10. Environmental and Sustainability Reporting Statement
Sustainability strategy and profile

The Triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profit, people (social) and planet (environment).

Profit: The institute has benefited greatly through the financial support received from National government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improve and expanded infrastructure thus resulting in increased student enrolment.

Social: Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has direct positive impact to the community around the institution.

Environment: The board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environment sustainability that will be identified during the audit.

category	Issue(s)	Description of effect	Action to mitigate
political	- Favourable - Political situation	- Increased student enrolment - Conducive learning environment	- Surveillance and intelligence on potential risks
	- Devolution system of Government	- Demand for skills at the county level hence increased student enrolment	- Lobby/create linkages with the County Governments
	- Financial support from national government through NGCDF, NGAAF, HELB, grants and capitation	- Improved and expanded infrastructure - Increased students' enrolment	- Prudent use of government funds - Accountability in the use of available resources

Environmental performance

category	Issue(s)	Description of effect	Action to mitigate
Environment /Ecological	- Overcrowded classes and workshops	- Ineffective imparting of skills - Increased waste pollution	- Proper waste management - Expansion of physical infrastructure

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	- Inadequate/unreliable supply of water	- Water borne diseases - Negatively affecting operations in the institute	- Water harvesting - Drilling of borehole
	- Environment free from air and noise pollution	- Favourable working/learning conditions	- Continually initiate environmental conservation initiatives.

Employee welfare

At KTVC, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our institute through community consultation.

The institutes Human Resource Manual guides on hiring and appraisal of the staff. Staff training and development has been factored in the annual budget to ensure that our staff are trained and equipped in regard to emerging issues.

Market place practices-

Responsible supply chain and supplier relations

As per government policy and section 227 of the constitution of Kenya, the college has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where supply chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates knowledge of available funds acts as a guide in knowing what to procure and when to procure
2. The institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

The College ensures that:

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g., Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is complicated. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

The institute carried out various activities during the year under review. These activities include:

- Providing tree seedlings
- Tree planting within the community shopping centres
- Cleaning the environment amongst others
- Provide free dustbins to the community within the county

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the college's affairs.

Principal activities

The principal activities of the college is to offer technical & vocational skills to trainees who meet the minimum academic qualification to be enrolled to the college

Results

The results of the college for the year ended June 30th are set out on page 1 – 5

Board of Governors

The members of the Board who served during the year are shown on page viii, ix and x.

Auditors

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

By Order of the Board



.....
Secretary of the Board/Board

Nairobi

Date:

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

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

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

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

The Board members accept responsibility for the college'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 college's financial statements give a true and fair view of the state of college's

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transactions during the financial year ended June 30, 2024, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the principal has assessed the college's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The college's financial statements were approved by the Board on 28/4/2025 2025 and signed on its behalf by:

.....
Name *Mary Wanjohi*
Chairperson of the Board

.....
Name *MERCY KAMAU*
Accounting Officer/Principal

REPUBLIC OF KENYA



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KANDARA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kandara Technical and Vocational College set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information 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 effects of the matters described in the basis for qualified opinion section of my report, the financial statements do present fairly, the financial position of Kandara Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Long Outstanding Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2024 and as disclosed in Note 17 to the financial statements reflects current portion receivables from exchange transactions balance of Kshs.23,455,238 in relation to student debtors out of which an amount of Kshs. 8,158,805 has been long outstanding for a period exceeding twelve months. There is no evidence and explanations of management efforts in collecting the outstanding balances. In addition, supporting schedules indicates balance of Kshs.12,803,786 resulting to un-reconciled and unexplained variance of Kshs.10,651,452.

In the circumstance, the accuracy, completeness and recoverability of the long outstanding receivables from exchange transactions could not be confirmed.

2. Inaccurate Depreciation and Amortization Expense

The statement of financial performance reflects depreciation and amortization expense amount of Kshs.1,443,727. However, Note 13 to financial statements indicates depreciation and amortization expense amount of Kshs.1,704,014 resulting to un-reconciled and unexplained variance of Kshs.260,287.

In the circumstances, the accuracy and completeness of depreciation and amortization expense amount of Kshs.1,443,727 could not be confirmed.

3. Unsupported Inventory Balances

The statement of financial position and as disclosed in Note 18 to financial statement reflects an inventory balance of Kshs.2,061,976 which was not supported by any documents in the form of stock registers, inventory ledgers, or goods receipt/issue notes to show the movement of stock and the resultant balance.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.2,160,170 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kandara 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.45,015,000 and Kshs.46,695,490 respectively resulting to revenue surplus of Kshs.1,680,490 or 4% of the budgeted amount.

Further, the institution had actual expenditure of Kshs.30,931,114 against actual receipts of Kshs.46,695,490 resulting to an overall under-expenditure of Kshs.15,764,376 or 34% of actual receipts.

The underutilization of the budget affected the planned activities of the College and may have impacted negatively on service delivery to the public.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages v to xxxvi which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement,

Report of the Auditor-General on Kandara Technical and Vocational College for the year ended 30 June, 2024

Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of the Board of Governors responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES.

Conclusion

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

Basis for Conclusion.

1. Non- Compliance with the Principle of Equal Opportunities for All

Review of human resource documents indicated that the college had forty-three (43) members of staff. However, it was noted that no persons living with disability had been employed by the institution in line with human resource policies and procedure manual for the public service May, 2016 section B.23 on rights and privileges of persons with disabilities.

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

2. Non-Deduction and Non-Remittance of Tax on Board Allowances

The statement of financial position and as disclosed in Note 11 to financial statements reflect board allowances of Kshs.827,000. However, review of expenditure records indicated non-recovery of Pay as You Earn (PAYE) and subsequent non-remittance to

Kenya Revenue Authority (KRA), contrary to the provisions of the Income Tax Act (Cap. 470).

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

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

Conclusion

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

Basis for Conclusion

1. Weak Information Technology (IT) Internal Controls

1.1 Lack of an Approved IT Strategic Plan and IT Security Policy

The audit revealed that the College did not have an approved IT strategic plan and IT security policy to provide governance on information technology matters including policies on IT disaster and business continuity plan.

1.2 Weakness in implementing the Enterprise Resource Planning (ERP) System

The College enhanced its information technology systems by implementing an Enterprise Resource Planning (ERP) system with the main objective of bringing in efficiency in its operations. However, there were no documented change management procedures including change management forms, review and approval of changes, testing of changes, implementing changes, periodic reporting of changes and post-implementation review of changes done to critical systems during the transition process.

In the circumstances, the absence of critical policy documents the effectiveness of the College's IT system controls could not be confirmed.

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

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 its services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2025

Kandara Technical and Vocational College
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14. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government– Recurrent grants& Capitation	6	15,276,519	5,778,000
Total Revenue from non-exchange transactions		15,276,519	5,778,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	31,222,971	14,280,846
Rental revenue from facilities and equipment	8	196,000	168,000
Miscellaneous & Other Income	9		27,000
Total Revenue from exchange transactions		31,418,971	14,475,846
Total revenue		46,695,490	20,253,846
Expenses			
Use of goods and services	10	18,854,662	11,680,524
Employee costs	11	7,457,609	5,570,500
Board Allowances	12	885,000	988,000
Depreciation and amortization expense	13	1,443,727	1,164,949
Repairs and maintenance	14	273,010	167,120
Finance cost	15	23,417	
Total expenses		28,937,425	19,571,093
Net Surplus for the year		17,758,065	682,753


(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

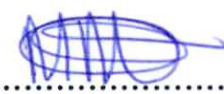


 Chairman of Board

Date 28-04-2025



 Finance Officer
 ICPAK No 07230
 Date 28/04/2025



 Principal
 Date 28/4/2025

Kandara Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	8,372,575	6,703,847
Current portion of receivables from exchange transactions	17	23,455,238	8,347,396
Inventory	18	2,061,976	400,935
Total current assets		33,889,789	15,452,178
Non-current assets			
Property, plant and equipment	22	65,893,995	63,885,606
Intangible assets		58,800	73,500
Total non - current assets		65,952,795	63,959,106
(A)Total assets		99,842,584	79,411,284
Liabilities and capital			
Current liabilities			
Trade and other payables from exchange transactions	19		1,012,653
Fees paid in advance	20	3,599,902	926,667
Refundable deposits from customers	21	456,860	456,860
(B)Current liabilities		4,056,762	2,396,180
Net Assets (A-B)		95,785,822	77,015,104
Represented by:			
Reserves		10,000,000	10,000,000
Accumulated surplus		29,985,544	11,214,826
Capital Fund		55,800,278	55,800,278
Total Liabilities and capital		95,785,822	77,015,104

The Financial Statements set out on pages 1 to 5 were signed by:

.....   

Chairman of Board

Finance Officer

Principal

ICPAK No 27230

Date 23-04-2025

Date 28/04/2025

Date 28/4/2025

Kandara Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1,2022			<u>10,532,073</u>	<u>55,800,278</u>	<u>66,332,351</u>
Revaluation Reserve	10,000,000				10,000,000
Fair value adjustment on quoted investments					
Total comprehensive income			682,753		682,753
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
As at June 30 th ,2023	<u>10,000,000</u>	—	<u>11,214,826</u>	<u>55,800,278</u>	<u>77,015,104</u>
As at July 1,2023	<u>10,000,000</u>	—	<u>11,214,826</u>	<u>55,800,278</u>	<u>77,015,104</u>
Adjustment of the prior year KNEC payable			1,012,653		1,012,653
Fair value adjustment on quoted investments					
Total comprehensive income			17,758,065		17,758,065
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings					
At June 30, 2024	<u>10,000,000</u>		<u>29,985,544</u>	<u>55,800,278</u>	<u>95,785,822</u>

Kandara Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	15,276,519	5,778,000
Rendering of services- Fees from students	7	31,222,971	14,280,846
Rental revenue from facilities and equipment	8	196,000	168,000
Miscellaneous Income	9		27,000
Total Receipts		46,695,490	20,253,846
Payments			
Use of goods and services	10	18,854,662	11,680,524
Employee cost	11	7,457,609	5,570,500
Board Allowances	12	885,000	988,000
Repair and Maintenance	14	273,010	167,120
Finance cost	15	23,417	
Total Payments		27,493,698	18,406,144
Net cash flow before working capital changes		19,201,792	1,847,702
Changes in working capital			
Net Cash Flows from operating activities	23	5,106,144	-3,415,478
Purchase of property, plant, equipment and intangible assets	22	-3,437,416	-1,461,350
Net cash flows used in investing activities		-3,437,416	-1,461,350
Net decrease in cash and cash equivalents		1,668,728	-4,876,828
Cash and cash equivalents at 1 st July	16	6,703,847	11,580,675
Cash and cash equivalents at 30 June	16	8,372,575	6,703,847

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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original Annual Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% Variance	
	a	b	c=a+b	d	e=d-c	f=d/c %	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Internally Generated Revenue and Government from Fees	45,015,000		45,015,000	46,499,490	-1,484,490	-3	NOTE1
Other income				196,000	-196,000	0	
Total income	45,015,000		45,015,000	46,695,490	-1,680,490	-4	
Expenses					0		
Employees Costs	8,101,440		8,101,440	7,457,609	643,831	8	
Directors Fees	1,512,000		1,512,000	885,000	627,000	41	NOTE 2
Goods & Services	28,601,560		28,601,560	18,854,662	9,746,898	34	NOTE 3
Repairs and Maintenance	400,000		400,000	273,010	126,990	32	NOTE 4
Development /Assets	6,400,000		6,400,000	3,437,416	2,962,584	46	NOTE 5
Finance Cost	0		0	23,417	-23,417	0	
Total expenditure	45,015,000		45,015,000	30,931,114	14,083,886	31	

Budget notes

1. The College received the Government scholarship for the students under the new funding model.
2. Directors Fees- the Academic committee held their meeting once and Audit and Risk committee held their meeting twice throughout the year.
3. There College did not manage to purchase all the training materials it had anticipated to purchase during the financial year 2023/2024.
4. There were minimal repairs done during the financial year 2023/2024
5. The College did not fully purchase the assets it had planned to purchase including the development projects during the financial year

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 18. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the 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. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the College's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between a college's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the College.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>© The impact of such social benefits provided on the College's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for</p>

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Standard	Effective date and impact:
	users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the College. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

iii. **Early adoption of standards**

The college did not early-adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset

ii) **Revenue from exchange transactions**

Rendering of services

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

b) **Budget information**

The original budget for FY 2023/2024 was approved by the Board or Board on **23rd May ,2024**. No Subsequent revisions or additional appropriations were made to the approved budget.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The college is exempted from paying taxes

d) Property, plant and equipment

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

e) Intangible assets

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

Trade and other receivables

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

Impairment

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The college recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition.

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

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

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

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

g) Provisions

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

Contingent liabilities

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

Contingent assets

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

h) Social Benefits

Social benefits are cash transfers provided to

- a) specific individuals and / or households that meet the eligibility criteria,
- b) mitigate the effects of social risks and
- c) Address the need of society as a whole.

The college recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the college will incur in fulfilling the present obligations represented by the liability.

i) Nature and purpose of reserves

The College does not create and maintains reserves

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

The College does not provide retirement benefits for its employees and directors.

l) Related parties

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

m) Service concession arrangements

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

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the College's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent

liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Provisions for Doubtful Debts are recognized at the following rate:

No	Debt age	Rate
i.	Current Year	2.5%
ii.	Over 1 Year	10%

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iii.	Over 2 Years	15%
iv.	Over 3 Years	20%
v.	Over 4 Years	50%
vi.	Over 5 Years	100%

Depreciation

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets. The annual rates of depreciation used shall be as

No	Classification of asset	Rate
i.	Building	2 %
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment	30%
v.	Motor vehicles- Buses & others	25%
vi.	Furniture and fittings	12.5%
vii.	Library books	20%

6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional grants		
Operational grants	1,500,000	1,000,000
Capitation grants	6,775,425	4,778,000
Government Scholarship	7,001,094	0
Total government grants and subsidies	15,276,519	5,778,000

(a) Transfers from other Government entities (Categorized)

Name of the college sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund	Total income during the year	2022-2023
	KShs	KShs	KShs	KShs	KShs
Ministry of education	1,500,000			1,500,000	1,000,000
Ministry of education	6,775,425			6,775,425	4,778,000
Ministry of education	7,001,094			7,001,094	
Total	15,276,519			15,276,519	5,778,000

The details of the reconciliation have been included under appendix 3

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition	16,979,979	7,264,122
Personal Emoluments	3,449,805	2,049,469
Local Transport & Travelling	1,271,367	588,937
Electricity Water & Conservancy	1,420,156	842,241
Repair Maintenance & Improvement	904,860	215,506
Activity	1,109,146	657,871
Student Welfare	401,696	207,793
T-Shirt	282,451	258,350
Attachment	693,985	99,908
Registration	496,686	121,874
College Id/Card	117,190	56,142
Exam	2,380,650	

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Casual	1,715,000	242,673
Capacity Building		381,155
Computer Maintenance		125,739
Practical		329,303
KATTI		41,600
Lost items recovery		2,257
Administration		795,906
Total Revenue from The Rendering of Services	31,222,971	14,280,846

(Amount invoiced to trainees during the financial year 2023/2024)

8. Other Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Hire of College facility to IEBC	196,000	168,000
Total Revenue from other sources	196,000	168,000

9. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender		27,000
Total other income		27,000

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and Learning Materials	13,697,293	2,568,975
Performance Contract	586,925	0
Local Transport and Travel	1,187,100	1,200,250
Electricity Water & Conservancy	526,138	425,571
Students College ID Cards	65,370	37,800
Fees Refund	1,450	8,010
T Shirts	211,850	9,100
Attachment	170,998	161,152
Activity	1,451,458	
KUCCPs Registration	180,000	
Students Welfare	28,000	70,700
NITA Exam	748,080	
Stationery		499,680
Admin		1,987,618
Hospitality		670,856
Subsistence Allowances		431,185
Telephone		163,646

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Postal Charges		10,775
Marketing		887,900
Capacity Building /Development		727,606
Internet		63,789
Cleaning Materials		93,245
Strategic Plan		384,095
Consultancy		198,500
Printing		78,459
Student Welfare		
KRA		1,500
Tenders		73,500
KATTI		529,100
Fuel		1,620
Building Materials		90,255
Procurement Services		87,000
Sports & Games		205,190
Bank Charges		13,447
Total use of goods & services	18,854,662	11,680,524

11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
PAYE	6,597	9,166
National Social Security Fund	655,640	247,080
National Hospital Insurance Fund	192,800	160,200
BoG Employees	4,850,639	3,977,292
Security	462,000	424,000
Casuals	1,204,245	697,160
HELB	71,338	37,152
NITA	14,350	18,450
Employee costs	7,457,609	5,570,500

12. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Board emoluments	26,000	962,000
Board Allowances	859,000	26,000
Total director emoluments	885,000	988,000

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs

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Building	1,260,651	1,050,376
Furniture & Fittings	134,122	91,515
Computers & printers	225,700	23,058
Plant & Equipment	83,541	
Work in Progress	0	
Total depreciation and amortization	1,704,014	1,164,949

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
General Repairs	273,010	167,120
Total repairs and maintenance	273,010	167,120

15. Finance Cost

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank charges	23,417	
Total Bank charges	23,417	

16. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	8,363,324	6,700,933
Cash at hand	9,251	2,914
Total cash and cash equivalents	8,372,575	6,703,847

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

		2023-2024	2022-2023
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	1262410754	2,027,919	2,730,332
Equity bank	0890282699306	6,335,405	3,970,601
Sub- total		8,363,324	—
b) Others(specify)			
cash in hand		9,251	2,914
Sub- total			
Grand total		8,372,575	6,703,847

17. Receivables from Exchange transactions

Description	2023-2024	2022-2023
	KShs	KShs
Student debtors	23,455,238	8,347,396
Total current receivables	23,455,238	8,347,396

17.(b) Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	KShs		KShs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	15,296,433	100	4,161,016	50
Between 1- 2 years	8,158,805		2,965,555	36
Between 2-3 years			1,220,825	15
Total (a+b)	23,455,238	100	8,347,396	100

18. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Training Materials	2,061,976	400,935
Total Inventories at lower of Cost and Net Realizable Value	2,061,976	400,935

19. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Payables (KNEC & NITA) b/f	1,012,653	1,012,653
Adjustment in the change in net asset	(1,012,653)	
Total Trade and Other Payables	0	1,012,653

20. Fees paid in advance

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees paid in advance	3,599,902	926,667
Total Trade and Other Payables	3,599,902	926,667

Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	3,599,902	100%	926,667	100%
Total (to tie to totals above)	3,599,902		926,667	

21. Refundable Deposits from Students

Description	2023-2024	2022-2023
	Kshs	Kshs
Caution money	456,860	456,860
Total Deposits	456,860	456,860

Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year			135,861	30%
1-2 years	135,861	30%	217,418	48%
2-3 years	217,418	48%	103,581	22%
Over 3 years	103,581	22%		
Total (to tie to totals deposits above)	456,860		456,860	

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22. Property, Plant and Equipment

Description	Land	Buildings	Furniture and fittings	Computers & printers	Plant and equipment	Work in progress	Total
Cost	Shs	Shs	Shs		Shs	Shs	Shs
At 1st July 2022		<u>55,800,278</u>	<u>898,900</u>	<u>109,800</u>		<u>334,951</u>	<u>57,143,929</u>
Additions			475,500	313,500	127,000	471,850	1,387,850
Revaluation	10,000,000						10,000,000
At 30th June 2023	<u>10,000,000</u>	<u>55,800,278</u>	<u>1,374,400</u>	<u>423,300</u>	<u>127,000</u>	<u>806,801</u>	<u>68,531,779</u>
At 1st July 2023	<u>10,000,000</u>	<u>55,800,278</u>	<u>1,374,400</u>	<u>423,300</u>	<u>127,000</u>	<u>806,801</u>	<u>68,531,779</u>
Additions	—	—	—	383,600	152,000	2,901,816	3,437,416
Transfer	—	—	—	—	—	—	—
At 30 th June 2024	<u>10,000,000</u>	<u>55,800,278</u>	<u>1,374,400</u>	<u>806,900</u>	<u>279,000</u>	<u>3,708,617</u>	<u>71,969,195</u>
Depreciation and impairment							
At 1st July 2022		3,281,503	166,781	32,940			3,481,224
Depreciation		1,050,376	91,515	23,058			1,164,949
at 30th June 2023		4,331,879	258,296	55,998			4,646,173
At 1st July 2023		4,331,879	258,296	55,998			4,646,173
Depreciation rate	0	0.02	0.125	0.3	0.125		
Depreciation		1,029,368	139,513	225,271	34,875		1,429,027
at 30th June 2023		5,361,247	397,809	281,269	34,875		6,075,200
Net book values							
At 30th June ,2023	<u>10,000,000</u>	<u>51,468,399</u>	<u>1,116,104</u>	<u>367,302</u>	<u>127,000</u>	<u>806,801</u>	<u>63,885,606</u>
At 30 th June ,2024	<u>10,000,000</u>	<u>50,439,031</u>	<u>976,591</u>	<u>525,631</u>	<u>244,125</u>	<u>3,708,617</u>	<u>65,893,995</u>

Note

Work in progress

This is the accumulated expenditures as at 30th June, 2024 in respect to the construction of the building & construction workshop

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Valuation

The college assets were valued by the Murang'a County Government – Ministry of Land, Housing and Physical Planning Principal Valuer

22 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	10,000,000		10,000,000
Buildings	55,800,278	5,361,247	50,439,031
Plant And Machinery	279,000	34,875	244,125
Computers and Related Equipment	806,900	281,269	525,631
Office Equipment, Furniture, And Fittings	1,374,400	397,809	976,591
Work In Progress	3,708,617		3,708,617
Total	71,969,195	6,075,200	65,893,995

23. Cash generated from operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax .	19,201,792	1,847,702
Adjusted for:		
Depreciation		
Working Capital Adjustments		
Increase/Decrease in Inventory	-1,661,041	(400,935)
Increase/Decrease in Receivables	-15,107,842	(4,161,016)
Increase/Decrease in Payables		(369,337)
Decrease in Payments received in advance	2,673,235	(443,064)
Increase in refundable deposits		111,172
Net Cash Flow from Operating Activities	5,106,144	-3,415,478

24. Financial Risk Management

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks

and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

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

The college has significant concentration of credit risk on amounts due.

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

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

The college's Finance Department is responsible for the development of detailed risk management policies

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

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

24. Related Party Balances

Nature of related party relationships

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

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Government of Kenya

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

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

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

	2023-2024	2022-2023
	Kshs	Kshs
Transactions with related parties		
(a) Grants from the Government		
Grants from National Govt	1,500,000	1,000,000
Capitation from the MoE	6,776,000	4,778,000
Government Scholarship	7,001,094	0
TOTAL	15,276,519	5,778,000

25. Events After the Reporting Period

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

26. Ultimate and Holding College

Kandara TVC is a TVET institution under the Ministry of education. Its ultimate parent is the Government of Kenya.

27. Currency

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

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28. Appendices


Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A				

Guidance Notes:

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



Name: Mercy N Kamau
 Accounting Officer

Date 28/4/25

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Appendix II: Projects Implemented by Kandara Technical & Vocational College

Projects

Projects implemented by Kandara Technical Vocational College.

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

Status of Projects completion

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A					

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Appendix III- Inter-College Confirmation Letter

Kandara Technical and Vocational College

P.O BOX 17, KENOL

The Kandara Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary College] as at 30 th June 2024							Differences (Kshs) (F) = (D-E)
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2024				Amount Received as at 30 th June 2024 (E)	
		Recurrent (A)	Development (B)	Scholarship (C)	Inter-Ministerial (D)		Total (E) = (A+B+C+D)
Q1	11/7/2023	500,000				1,000,000	
	1/9/2023	500,000					
Q2	2/10/2023	500,000		5,979,821		6,479,821	
Q2	1/10/2023				1,515,500	1,515,500	
Q3	5/2/2024				2,100,000	4,958,773	
	18/1/2024				1,837,500		
Q4	6/3/2024			1,021,273			
	6/6/2024				1,322,425	1,322,425	
Total		1,500,000		7,001,094	6,775,425	15,276,519	

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

Head of Accountants department of Kandara Technical and Vocational College:

Name S.P.A.C. Sign [Signature] Date 22/04/2025