

REPUBLIC OF KENYA



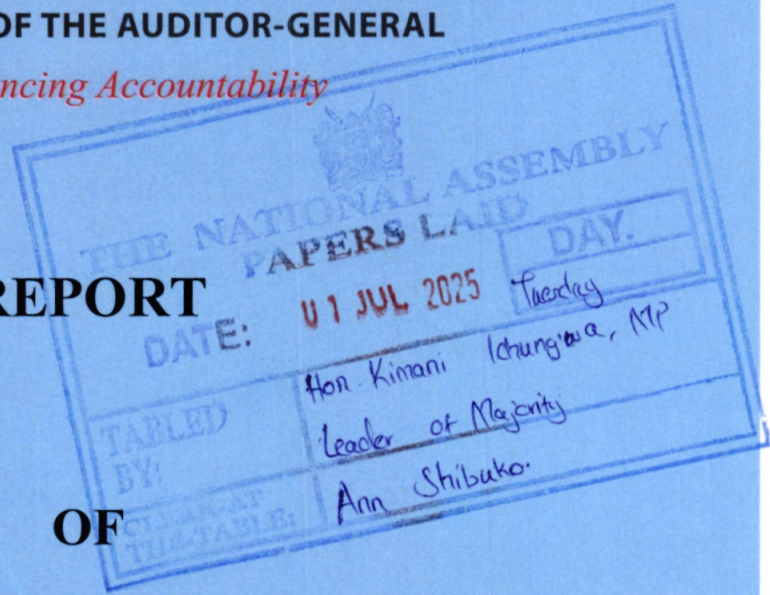
Enhancing Accountability



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REPORT

OF



THE AUDITOR-GENERAL

ON

**KHWISERO TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE TWENTY (20) MONTHS PERIOD
ENDED 30 JUNE, 2024**



Revised 30th June 2024



MINISTRY OF EDUCATION



KHWISERO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR TWENTY MONTHS PERIOD ENDED
30TH JUNE 2024**

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

Khwisero Technical and Vocational College

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KTVC	Khwisero Technical and Vocational College
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

The *institution* was established under the TVET Act No. 29 of 2013 on 06th January 2023. The entity is domiciled in Kenya and in Kisa central ward, Khwisero Sub- County, Kakamega county. The institute is under the Ministry of Education.

(b) Principal Activities

The principal activity, mission/ mandate of the KTVC is to: -

1. Develop an institution with excellence in teaching, training, scholarship, entrepreneurship and research
2. Provide directly or in collaboration with other institutions of higher learning facilities for technical, technological, professional, scientific education and training.
3. Promote research and technological innovation as well as invention, transmission and enhancement of knowledge for economic, social, cultural, scientific and technological development
4. Foster the general welfare of all staff and students
5. Provide opportunities for development and career growth
6. Develop and provide educational, cultural, professional, technical and vocational services to the community and foster corporate social responsibility

Vision

To be a global leader in technical and vocational training in transforming livelihood of communities

Mission

To provide globally demand-driven technical and vocational training with entrepreneurial skills to the youths

Strategic Objectives

1. Enhance equitable access to quality education and training opportunities
2. Promote research, innovation, collaboration and linkages for industrial growth
3. Expand and improve the facilities and infrastructure
4. Continually improve principles of good governance
5. Optimize and diversify sources of finance, recruit and maintain qualified staff
6. Enhance the adoption of ICT infrastructure and its use in support of operation
7. Adopt environmentally friendly practices

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

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(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:

SN.	Designation	Name
1.	Principal	Mabel A. Wanjala
2.	Deputy principal Finance	Namatsi M. Shaban
3	Deputy principal Academics	Juma M. Kennedy
4	Registrar	Mutsotso A. Dennis
5	Dean of students	Collins Wanga
6	Head of Finance	Karen Bii

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

In order to facilitate the smooth running of its affairs, Khwisero TVC Board of Governors established three committees with the membership and terms of reference as it deemed fit. The following committees were in place during the year 2023/2024:

- (i) Education, Training, Research and Human Resource Committee (ETRH)
- (ii) Finance, Infrastructure and General-Purpose Committee (FIGP)
- (iii) Audit and Risk Compliance Committee. (ARC)

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

(i) Education, Training, Research and Human Resource Committee
Roles and functions

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

(ii) Finance, Infrastructure and General-Purpose Committee
Roles and functions

- a) Check and determine that annual estimates have made provision for all the estimated expenditure, and in particular the following:
 - i. Payment of the salaries, allowances and other charges in respect of the staff of the college;
 - ii. Payment of the pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the College;
 - iii. Funding of the cost of teaching, research and outreach activities of the College

- iv. Creation of such funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of building or equipment and in respect of such other matters as the Board may deem fit.
- b) Review the policies, processes and programs management has put in place to prepare, prevent and protect the college from financial risk.
- c) Monitor and review procurement of works, goods and services at the college to ensure compliance with established laws, regulations, policies and procedures.
- d) Receive and consider proposals for the participation of the college in commercial ventures and activities.
- e) Receive and consider proposals for investment of any of the funds of the College in securities in which for the time being trustees may, by law, invest trust funds or in any other securities which the National Treasury may, from time to time, approve for the purpose.
- f) Consider proposals for placement on deposit with such banks as it may determine any moneys not immediately required for the purposes of the college.
- g) Monitor and review all appropriation-in-aid to ensure compliance with donor and / or government guidelines, legal and regulatory requirements, policies and procedures.
- h) Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of KTVC.

(iii) Audit and Risk Compliance Committee

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

- a) Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- b) Oversee the implementation of developed policies, procedures and strategies that will promote effective and efficient management systems within KTVC.
- c) Provide an independent review of the college's reporting functions to ensure the integrity of the financial reports.
- d) Ensure KTVC effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.
- e) Provide oversight of the implementation of accepted audit recommendations and consider reports on matters relating to audit.
- f) Provide strong and effective oversight of the college's internal audit function
- g) Report to BOG regularly regarding matters considered in each of the committee's meetings.

(f) Entity Headquarters

P.O. Box 68 - 50135
Khwisero
Ebuyangu - Ekero Raod
Kakamega, KENYA

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(g) Entity Contacts

Telephone: (254) 755924585
E-mail: kserotvc@gmail.com
Website: www.khwiserotvc.ac.ke

(h) Entity Bankers

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

Other Commercial Banks
(List details of other commercial banks)

(i) Independent Auditors

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

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Key Entity Information and Management (Continued)

(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

(a) Board of Governors


<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Dr. Paul Aloyo, PhD – Chairpeson BOG	D.O.B: 07/03/1974 Doctor of Philosophy Environmental Planning and Management, Lecturer at JKUAT, Chairperson of Board of Governors. EXECUTIVE
2.	 Simon Muteshi Shigali	D.O.B: 11/11/1959 Bachelor of Business Management (Human Resource Management Option) Retired Banker, Part -Time lecturer at Kaimosi University. Chairperson Finance, Infrastructure, Resource Mobilization, and General Purposes committee EXECUTIVE
3.	 Ernest Kipngetch Langat	D.O.B 01/02/1987 Bachelor of Science in Civil Engineering, Traffic Engineer – Kenya Roads Board, Member of Finance, Infrastructure, Resource Mobilization, and General Purposes committee INDEPENDENT

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4.	 <p>James Otieno Onduru</p>	<p>D.O.B: 15/04/1962 Master of Education in Education Management, Retired civil servant, Private consultant Skills Enterprise Development/ Governance, Higher Education Management. Chairperson of Education, Training, Research and Human Resource Committee INDEPENDENT</p>
5.	 <p>Grace Mayina Adera</p>	<p>D.O.B: 08/12/1955 Bachelor of Laws, Advocate – Adera & Company Advocates. Chairperson - Audit and Risk Committee EXECUTIVE</p>
6.	 <p>Janet Kwamboka</p>	<p>D.O.B 09/03/1982 Bachelor of Science in Mathematics and Computer Science. Transformational Speaker and Lead Trainer – Inner Power Consultants Ltd Member of both Education, Training, Research and HR Committee and Finance, Infrastructure, Resource Mobilization, and General Purposes committee INDEPENDENT</p>
7.	 <p>JOSEPH SUNGUTI (County Director TVET)</p>	<p>D.O.B: 1957 -Masters of Distance Education, University of Nairobi. -B Ed degree (Finance, Accounting, Economics & Geography), University of Nairobi. -SLDP and SMC certificates, Kenya School of Govt -Trainer, teacher, curriculum developer and policy implementer -Experienced County Director of TVET more than 9 years EXECUTIVE</p>

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8.	 Mabel Amaita Wanjala (Principal- Secretary BOG)	D.O.B 1967 BEd. Applied Biology and Chemistry Principal Khwisero Technical & Vocational College. Secretary to the Board
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4. Key Management Team

No.	Designation	Name
1.	Principal	Mrs. Mabel A. Wanjala
2	Deputy Principal	Mr. Namatsi M. Shaban
3.	Accounts clerk	Mrs. Karen J. Bii
4.	Registrar	Mr. Dennis Mutsosto
5.	Dean of Students	Mr. Collins O. Wanga

5. Chairman's Statement

This is a consolidated overview of the key activities undertaken by the institution during the financial year 2023/2024, highlighting our successes, the challenges we encountered, and our strategic direction moving forward.

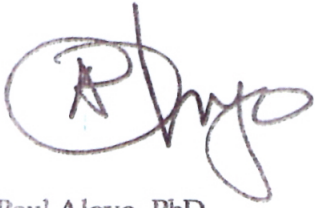
The Board actively engaged in several critical areas throughout the year, focusing on establishing a strong foundation for the institution's growth and sustainability. Despite being an upcoming institution and as an inaugural Board, we achieved significant milestones during the financial year:

- **Strategic Planning Initiation:** The Board spearheaded the initial phases of developing a comprehensive strategic plan. This involved stakeholder consultations, environmental scanning, and preliminary identification of key statements, core objectives and strategic priorities.
- **Leadership Appointment and Oversight:** We successfully oversaw the onboarding of key leadership positions within the board including Board committees and their leadership. Furthermore, the Board maintained active oversight of the institution's performance.
- **Stakeholder Engagement:** We prioritized building strong relationships with key stakeholders such as government agencies, political class and community leaders.

As an emerging institution, we encountered several challenges that required careful navigation and handling:

- **Resource Constraints:** Limited initial funding posed challenges in fully implementing all planned activities and securing necessary resources.
- **Building Brand Awareness:** Establishing a strong brand identity and raising awareness among target beneficiaries and the wider community required focused effort.
- **Developing Operational Efficiencies:** Streamlining processes and establishing efficient operational systems took time and continuous refinement.
- **Navigating Regulatory Landscape:** Understanding and complying with the relevant regulatory requirements for a new institution demanded diligent attention.
- **Attracting and Retaining Talent:** Competition for skilled personnel posed a challenge in building a full complement of qualified staff.

Despite of the challenges, looking ahead, our focus will be on building upon the strong foundation laid this year and strategically addressing the identified challenges. We are confident that by addressing these priorities strategically and collaboratively, our institution will continue on a trajectory of growth and make a significant positive impact in Kenya. The Board remains committed to providing strong leadership and oversight to ensure the successful realization of our vision.



2nd May 2025

Dr. Paul Aloyo, PhD
CHAIRPERSON – BOARD OF GOVERNORS

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6. Report of the Chief/Senior Principal

This report provides a comprehensive overview of the institution's activities, achievements, challenges, and strategic direction during the financial year 2023/ 2024. As Principal, I am involved in the day-to-day operations and strategic implementation of the Institution's vision.

Building upon the governance framework established by the Board, the administrative and academic teams focused on several core operational areas:

- **Operationalizing Governance Policies:** We translated the Board-approved policies into actionable procedures and workflows across all departments. This involved developing standard operating procedures, establishing internal communication channels, and ensuring staff understanding and adherence to the new guidelines.
- **Strategic Plan Development:** Following the Board's initial strategic planning efforts, the management team conducted in-depth departmental planning sessions. This involved setting specific, measurable, achievable, relevant and time-bound (SMART) objectives aligned with the overarching strategic priorities identified.
- **Leadership Team Building and Development:** Beyond the initial appointments, significant effort was invested in fostering collaboration and synergy within the leadership team. This included regular management meetings, team-building activities, and professional development opportunities aimed at enhancing leadership skills and alignment.
- **Resource Mobilization Execution:** Working in close coordination with the Board, the administrative team actively pursued the resource mobilization strategies identified. This involved engaging with potential funders (Khwisero NG-CDF and other bursary sources).
- **Stakeholder Engagement and Relationship Management:** We actively engaged with our key stakeholders through various channels, including regular meetings, and community outreach programs (with grassroots National Government Administration Officers (NGAO)), and establishing feedback mechanisms to ensure our services were known.
- **Infrastructure Development:** Following the Board's guidance, we conducted detailed needs assessments for infrastructure development. This included purchase of training equipment in all course areas. We also oversaw an initial minor renovations to existing facilities to support immediate operational needs.
- **Academic Program Development:** As an upcoming institution, we focused on ensuring the college is accredited and licensed (by TVETA) to offer programs and registration with assessment bodies (KNEC and NITA). Further, recruitment of qualified staff was a priority.

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- **Student Recruitment:** We developed and implemented recruitment strategies to attract the initial cohort of students or beneficiaries. This included outreach activities, application processing, and the development of a comprehensive onboarding program to ensure a smooth transition.

However, we encountered several operational challenges that required careful management and strategic adjustments:

- **Navigating Initial Budgetary Constraints:** Limited initial funding necessitated careful prioritization of activities and resource allocation, sometimes requiring creative solutions and phased implementation.
- **Building Institutional Visibility and Recognition:** As a new institution, establishing a strong public profile and attracting the attention of our target audience required consistent and targeted communication efforts.
- **Establishing Efficient Internal Processes:** Developing and refining efficient workflows and communication channels across different departments took time and ongoing optimization.
- **Compliance with Evolving Regulatory Requirements:** Keeping abreast of and adhering to all applicable regulations for a new institution demanded continuous learning and adaptation.
- **Competition for Qualified Staff:** Attracting and retaining experienced and skilled personnel, particularly in specialized areas, proved to be a competitive landscape.
- **Managing Expectations of Diverse Stakeholders:** Balancing the varied expectations and needs of different stakeholder groups required effective communication and proactive engagement.

I am optimistic about the future of KTVC. The dedication and hard work of our staff, coupled with the strong guidance of the Board, provide a solid foundation for continued growth and impact. We are committed to learning from our experiences, adapting to the evolving environment, and diligently pursuing our mission to provide globally demand-driven technical and vocational training with entrepreneurial skills to the youth.

Thank you

Mabel A. Wanjala

PRINCIPAL/ SECRETARY – BOARD OF GOVERNORS

7. Statement of Performance against Predetermined Objectives

KTVC has 7 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY2025 – FY2029. These strategic pillars are as follows:

1. Enhance equitable access to quality education and training opportunities
2. Promote research, innovation, collaboration and linkages for industrial growth
3. Expand and improve the facilities and infrastructure
4. Continually improve principles of good governance
5. Optimize and diversify sources of finance, recruit and maintain qualified staff
6. Enhance the adoption of ICT infrastructure and its use in support of operation
7. Adopt environmentally friendly practices

KTVC develops its annual work plans based on the above 7 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *KTVC Board* achieved its performance targets set for the FY 2023/2024 period for its (7 No.) strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enhance equitable access to quality education and training opportunities	Increase number of courses offered and seek accreditation and registration from relevant bodies	New courses started, increased enrolment, accreditation/ registration certificated, new staff	Start new courses and seek approval from relevant bodies, carry out marketing of the courses, recruit students and required staff	All departments introduced CBET courses
Promote research, innovation, collaboration and linkages for industrial growth	Set aside budgeted funds for research, innovation and industrial linkages	Budget estimates, research and innovations presented during TVET fair, and number of industrial linkages	Support research work and innovation among staff and students, search and formalize linkages with industry	Research and innovations presented during regional TVET fair. Partnership agreements and MoUs signed with industry
Expand and improve the facilities and infrastructure	Set aside funds for fencing and gate, furniture acquisition, training	Fence, equipped workshops, improved training and pass rate, minimal breakages	Reinforcing of the fence with chain-link and concrete poles,	Secures compound and assets, improved pass rate and staff/student satisfaction

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	equipment and repairs		purchasing of additional training equipment in workshops and repairing of faulty/broken down facilities	
Continually improve principles of good governance	Continuously engage in dialog and hold quarterly meetings to provide oversight and give policy directions	Meeting memos and minutes, invitation letters, attendance and conflict of interest register, follow up on board resolutions	Holding quarterly board meeting to provide oversight and policy direction, engage with administration and other stakeholders on pertinent issues	Improved governance
Optimize and diversify sources of finance, recruit and maintain qualified staff	Recruit and maintain qualified training staff	Qualified training staff hired both on PSC and BOG terms, improved training and pass rate	Recruitment of qualified training staff, and capacity building based training needs	Competent staff in place
Adopt environmentally friendly practices	Set funds for greening and beautification of KTVC	Greening and beautification report	Planting and distribution of tree seedlings, setting up waste management points, maintenance of paths	Improved and clean working environment

8. Corporate Governance Statement

KTVC is dedicated to maintaining the highest standards of corporate governance. We recognize that sound governance is essential for the effective and ethical management of the institution, fostering accountability, and protecting the interests of our stakeholders, including students, staff, government, and the wider community. This statement outlines the key governance structures and practices we have in place.

The institution is governed by a Board of Governors, and are the institution's supreme decision-making body. The Board has defined roles, responsibilities, composition, and operational procedures as per the TVET Act, 2013.

The appointment and removal of Board members are conducted in a transparent manner, adhering to the TVET Act, 2013 and other relevant regulations. The appointment process typically involves nomination of suitable candidate by stakeholders, shortlisting of candidate by a panel, and then appointment by the Cabinet Secretary for Ministry of Education. Criteria for appointment emphasize relevant expertise, experience, and a commitment to the institution's mission and values.

Removal of a Board/Council member is governed by the provisions of the TVET Act. Grounds for removal may include misconduct, breach of fiduciary duties, conflict of interest, or inability to perform duties. Due process is strictly followed in all cases involving potential removal.

The Board acknowledges the importance of ensuring leadership continuity and effectiveness. A succession plan is in place to identify and develop potential future leaders for both the Board and key management positions within the institution. This plan considers the skills, experience, and diversity necessary for effective long-term governance. The Board regularly reviews and updates the succession plan to maintain its relevance.

The Board plays a critical role in the strategic direction and oversight of the institution. Its primary functions include:

- Establishing the institution's strategic direction, goals, and objectives
- Approving major policies, plans, and budgets
- Overseeing the institution's financial performance and sustainability
- Monitoring the implementation of strategic plans and the performance of management
- Ensuring compliance with all applicable laws, regulations, and ethical standards
- Appointing and overseeing the performance of the Principal/Director and other senior management
- Representing the interests of all stakeholders
- Ensuring the establishment and maintenance of effective risk management and internal controls

9. Management Discussion and Analysis Section A

The entity's operational and financial performance

The college is a public institution that offers courses in technical and ICT at three levels. The levels are Diploma which the minimum requirement is KCSE C-(minus) grade, Certificate which the minimum requirement is KCSE D (plain) grade and Artisan whose requirement is KCSE D- (minus) grade and below. By 30th June 2024, the college registered 420 trainees in various courses. The college received a total of Kshs **9,021,587.50** from the government of Kenya, of which Kshs. **5,000,000** was unconditional grant for building workshop construction as per the presidential directive and Kshs. **1,521,587.50** was capitation and **2,500,000** which was recurrent grant

Section B

Entity's compliance with statutory requirements

In the period under review, Khwisero Technical and Vocational College is yet to comply with statutory requirements such as PAYE, NHIF, NSSF, NITA etc.

Section C

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

The institution plans to build a multipurpose workshop by seeking grants from government

Section D

Major risks facing the entity

The major risks faced by the institution are the credit risk which arises from complete failure of students' ability to pay fees. Furthermore, the government capitation has been delaying or not remitted for some quarters leading to the trainees being invoiced. Other risks are liquidity risk that is associated with the college being unable to meet its short-term obligations due to cash-flows problems and the risk associated with competition from other institutions in the same education industry not only in the locality but countrywide due to lack of capacity to introduce more courses and lack of amenities (hostels and catering facilities) for students.

Section E

Material arrears in statutory/financial obligations

The college has pending bills of Kshs **941,440.00** which it intends to clear once it receives enough capitation from the government and HELB.

Section F

The entity's financial probity and serious governance issues

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During the period under review, there has not been a change in Board Governance. **Current Members**

1.	Dr. Paul Aloyo	Chairman
2.	Ms. Grace Adera	Member
3.	Mr. Simon M Shigali	Member
4.	Mr. Earnest K. Langat	Member
5.	Ms. Janet Kwamboka	Member
6.	Mr. James Otieno Onduru	Member
8.	Mr. Joseph Sunguti	Member- TVET- County Director
9.	Mrs Mabel A. Wanjala	Principal/Secretary BOG

9. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

KTVC recognizes the critical importance of environmental sustainability for the well-being of current and future generations. We are committed to minimizing our environmental footprint, promoting sustainable practices, and contributing to the achievement of national and global sustainability goals. This report details our efforts in integrating environmental and sustainability considerations into our operations, governance, and strategic planning.

- In the endeavour of promoting sustainable environmental practices through reduction in energy consumption, waste management and afforestation, KTVC has implemented the following initiatives and programs:
- **Energy Efficiency:** Implemented energy-efficient lighting, water pumping using solar, and use of solar lighting hence resulting in the reduction in energy consumption.
- **Waste Management:** Established a comprehensive waste management program that includes segregating waste at source, recycling, composting, Bio-digester in toilets, and waste reduction initiatives.
- **Greening initiative:** Have annual tree planting program, the entire compound has trees along the fence, and some of the seedlings have been shared with staff and neighbouring institutions. Further, the institution has installed solar lighting and water pumping system as a measure to reduce power consumption and harnessing abundant solar energy.
- **Curriculum Integration:** Integrated sustainability concepts into our academic programs, especially the CBET curricular, ensuring that students develop the knowledge and skills necessary to contribute to a sustainable future.
- **Community and Partnership Engagements:** Engaged with the local community through tree planting campaigns and environmental awareness programs. Partnered with REREC, KEFRI, KCB and Equity Banks on afforestation initiatives through tree seeds and seedlings.

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Environmental performance

Kenya's national development plans, such as Vision 2030, Bottom-up Economic Transformative Agenda (BETA) and policies related to climate change, waste management, and environmental conservation, provide a framework for our sustainability efforts. We align our initiatives with these national priorities.

Further, International Agreements such as the Paris Agreement and the Sustainable Development Goals (SDGs), also shape our approach to sustainability. We are committed to contributing to the achievement of these global goals, particularly SDG 6 (Clean water and sanitation), 7 (Affordable and clean energy), and 13 (climate action).

The Increasing expectations from our stakeholders, including then government, students, staff and the local community, are driving us to enhance our sustainability efforts and improve our reporting practices. For instance, the government expect we plant at least 80,000 trees per year. We are committed to continuous improvement in our environmental performance and will regularly monitor our progress against these targets and report on our performance to our stakeholders.

KTVC is dedicated to integrating environmental sustainability into all aspects of our operations. We recognize that this is an ongoing journey, and we are committed to continuous improvement, transparency, and accountability in our environmental and sustainability reporting. We believe that by working together with our stakeholders, we can create a more sustainable future for our institution and for society as a whole.

Employee welfare

Employee welfare at KTVC is crucial for attracting, retaining, and motivating qualified professionals who are instrumental in shaping the future workforce. A holistic approach to welfare encompasses policies and practices that support the physical, mental, and professional well-being of all staff, fostering a conducive environment for effective teaching, training, and institutional development.

The hiring process for TVET staff, including trainers, administrators, and support personnel, is guided by policies that prioritize competence, relevant industry experience, pedagogical skills, and a commitment to the TVET mission. The policies include Public Service Commission Human

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Resource Policy and circulars, KTVC Human Resource Policy and other relevant laws and regulations.

KTVC actively promote gender balance across all staff categories. We encourage applications from diverse gender groups through targeted outreach and inclusive language in job advertisements. Interview panels are gender-balanced, and evaluation criteria focuses solely on merit and relevant qualifications, mitigating unconscious bias. Efforts are taken to address any existing gender imbalances within specific departments or roles over time, while upholding the principle of selecting the most qualified candidate.

Investing in the continuous professional development of staff remains essential for maintaining the quality and relevance of vocational training. Initiatives that focus on improving staff performance in both technical skills relevant to their vocational area and pedagogical skills for effective instruction includes:

- Industry-specific training and upskilling.
- Pedagogical training:
- Professional development workshops and
- Support for pursuing advanced qualifications.
- Career Management and mentorship

Appraisal and reward systems for KTVC staff recognize the unique demands of their roles, encompassing both teaching/training effectiveness and contributions to the institution and its stakeholders. PSC staff performance appraisal is done online whereas BOG staff have their appraisal done by the administration. The performance appraisal process is transparent, provides constructive feedback, involves self-assessment and supervisor evaluation. Staff who perform exemplarily well are rewarded.

Given the practical and often hands-on nature of TVET training, a robust safety and strict compliance with the Occupational Safety and Health Act of 2007 are paramount. KTVC has rules specifically addressing the unique safety considerations within workshops, laboratories, and training environments. These rules address:

- Commitment to a safe and healthy learning and working environment.

Khwisero Technical and Vocational College

Annual Report and Financial Statements for twenty months period ended 30th June 2024

- Specific safety protocols for workshops and labs.
- Provision of appropriate Personal Protective Equipment (PPE).
- Regular safety training and drills.
- Risk assessments for all training activities.
- Clear guidelines for the safe use and maintenance of equipment.
- Emergency response plans specific to training environments.
- Designated safety officers and committees.
- Incident reporting and investigation procedures.
- Compliance with the Occupational Safety and Health Act of 2007. This includes specific attention to regulations concerning hazardous materials, noise levels, ventilation, and machinery guarding within training environments.

By prioritizing the welfare of their staff through comprehensive and targeted policies in hiring, development, appraisal, and especially safety within the unique context of vocational training, KTVC aims at building a highly skilled, motivated, and safe workforce dedicated to empowering the next generation of skilled professionals.

Market place practices-

The organisation should outline its efforts to:

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

(The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, water and sanitation initiatives)

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

Corporate Social Responsibility / Community Engagements

KTVC goes beyond its primary role of equipping individuals with skills and knowledge, we hold a significant potential to contribute to societal well-being through well-defined Corporate Social Responsibility (CSR) activities. In the past year, we have actively engaged in various CSR initiatives, demonstrating a commitment to community empowerment and sustainable development. These efforts have ranged from charitable giving and corporate social investment to direct community engagement, leaving a tangible and positive impact on the local society.

Evidence of community engagement is deeply embedded in our operational ethos. One notable examples are our ICT Jitume lab for All who are online workers, agricultural demonstration plots for both students and community, afforestation initiatives where tree seedlings are distributed, WiFi internet access when off peak, and open ground for community events.

Furthermore, the institution has established partnerships with local secondary schools, offering career guidance sessions and showcasing the diverse career pathways available through TVET. This outreach helps to destigmatize vocational training and encourages more young people to consider skills-based education as a viable and rewarding option.

In conclusion, KTVC's CSR initiatives over the past year reflect a deep commitment to community empowerment and social upliftment. These initiatives not only benefit the society but also enrich the learning experience of our students and reinforce the institution's role as a vital agent of positive social change within the region.

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

10. Report of the Council/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 *KTVC's* affairs.

Principal activities

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

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

Current Members

1.	Dr. Paul Aloyo	Chairman
2.	Ms. Grace Adera	Member
3.	Mr. Simon M Shigali	Member
4.	Mr. Earnest K. Langat	Member
5.	Ms. Janet Kwamboka	Member
6.	Mr. James Otieno Onduru	Member
8.	Mr. Joseph Sunguti	Member- TVET- County Director
9.	Mrs Mabel A. Wanjala	Principal/Secretary BOG

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Secretary of the Board/Council
Nairobi
Date:

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

Section 81 of the Public Finance Management Act, 2012 and *section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013* - require the Board members to prepare financial statements in respect of KTVC, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of KTVC for that year/period. The Board members are also required to ensure that KTVC keeps proper accounting records which disclose with reasonable accuracy the financial position. The council members are also responsible for safeguarding the assets of *KTVC*.

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

The Board members accept responsibility for KTVC'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 *KTVC's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2024, and of the financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for KTVC, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the ability of KTVC to continue as a going concern. Nothing has come to the attention of the Council members to indicate that KTVC 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 *KTVC's* financial statements were approved by the Board on _____ 12th July 2024 and signed on its behalf by:

Khwisero Technical and Vocational College

Annual Report and Financial Statements for the twenty months for period ended 30th June 2024

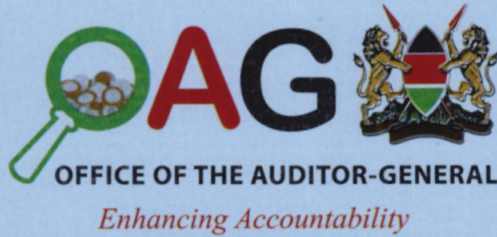
Paul Aloyo
..... 2nd May 2025

Name Dr. Paul Aloyo
Chairperson of the Board/Council

Mabel A. Wanjala
..... 21st June 2025

Name Mabel A. Wanjala
Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KHWISERO TECHNICAL AND VOCATIONAL COLLEGE FOR THE TWENTY (20) MONTHS PERIOD 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 Khwisero Technical and Vocational College set out on pages 1 to 61, which comprise of the statement of financial

Report of the Auditor-General on Khwisero Technical and Vocational College for the twenty (20) months period ended 30 June, 2024

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 twenty (20) months period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Khwisero Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the twenty (20) months period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.2,346,404 in respect of cash and cash equivalents, as disclosed in Note 14(a) to the financial statements. However, the balance was not supported by adequate relevant documents including monthly bank reconciliation statements for nineteen (19) months, Board of Survey report and properly maintained cash books.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,346,404 could not be confirmed.

2. Inaccuracy of Revenue from Rendering of Services-Fees from students Amount

The statement of financial performance reflects an amount of Kshs.32,144,037 in respect of revenue from rendering of services- fees from students. However, Note 8 to the financial statements relating to the same, reflects an amount of Kshs.6,636,984 resulting to unreconciled variance of Kshs.25,507,053.

In the circumstances, the accuracy and completeness of rendering of services revenue amounting to Kshs.32,144,037 could not be confirmed.

3. Unrecognized Land Asset

The statement of financial position reflects a balance of Kshs.1,540,656 in respect of property, plant and equipment, as disclosed in Note 17 to the financial statements. However, excluded from the balance, is a parcel of land measuring approximately twenty (20) acres on which the College is situated. Further, ownership documents and valuation report for the parcel of land were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.1,540,656 could not be confirmed.

4. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.941,440 in respect of trade and other payables from exchange transactions as disclosed in Note 18 to the financial statements. Included in the balance is Kshs.733,400 relating to other payables, out of which payables totaling Kshs.145,756 were not supported by payables ledger.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.941,440 could not be confirmed.

5. Failure to Depreciate Property, Plant and Equipment

The statement of financial performance reflects Nil depreciation and amortization expense. Further, the statement of financial position reflects property, plant and equipment balance of Kshs.1,540,656. No explanation was provided on the failure to depreciate non-current assets during the period under review and the College's depreciation and amortization policy was not provided for audit.

In the circumstances, the accuracy and completeness of the Nil depreciation and amortization expense and property, plant and equipment balance of Kshs.1,540,656 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.25,900,775 and Kshs.18,180,265 respectively, resulting to an under-funding of Kshs.7,720,510 or 30% of the budget. Similarly, the College spent Kshs.15,833,861 against an approved budget of Kshs.25,900,775 resulting to an under-expenditure of Kshs.10,066,914 or 39% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information set out on page iii to xxx 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, Environmental and Sustainability Reporting Statement, Management Discussion and Analysis, Report of the Board of Governors and Statement of 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 THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Construction Technology Workshop

The statement of financial position reflects a balance of Kshs.1,540,656 in respect of property, plant and equipment, which as disclosed in Note 17 to the financial statements includes a balance of Kshs.1,279,979 for the construction of workshop.

Report of the Auditor-General on Khwisero Technical and Vocational College for the twenty (20) months period ended 30 June, 2024

Review of the construction records revealed that, Management awarded the tender to a local firm for the construction of a technology workshop, at a contract sum of Kshs.15,300,000. The contract was signed in July 2024 and the construction was to be completed by March 2025.

Management had received a total of Kshs.5,000,000 from the National Government towards the implementation of the project as at 30 April, 2025, out of which Management spent Kshs.1,279,979 during the period under review. Project verification carried out in April 2025 revealed that the project had not been completed as windows, doors and finishes works had not been undertaken.

In the circumstances, value for money on the expenditure of Kshs.1,279,979 in respect of the technology workshop was not achieved.

2. Lack of Staff Ethnic Diversity

Analysis of the payroll and staff list provided for audit review revealed that during the period under review, the College had twenty-three (23) employees, both teaching and non-teaching and on permanent and pensionable terms. However, out of the total number, eighteen (18) employees or 78% were from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

3. Late Submission of Financial Statements

The financial statements for the period ended 30 June, 2024 were submitted to the Auditor-General on 19 February, 2025, more than seven (7) months after the statutory deadline of 30 September, 2024. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which requires that, not later than three months after the end of each financial year, the Accounting Officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

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

4. Anomalies in Accuracy, Presentation and Disclosure of the Annual Report and Financial Statements

Review of the annual report and financial statements revealed cases of inaccuracies and non-compliance with the Public Sector Accounting Standards Board reporting template for 2023/2024 financial year as detailed below:

- i. The report of the Council/Board of Governors was not signed and dated.
- ii. The names of officers who signed the statement of financial performance and the ICPAK number of the finance officer have not been indicated.

- iii. The comparative period heading in the financial statements is indicated as 'prior year audited' and/or 'comparative period' instead of the specific period.
- iv. The statement of Board of Governors Responsibilities refer to the financial statements giving a true and fair view of the state of affairs as at the end of the financial years 2023 and 2024 whereas the annual report and financial statements have been prepared for twenty (20) months period ended 30 June, 2024. Further, the reason for using a longer period than twelve (12) months has not been disclosed as required by the International Public Sector Accounting Standard (IPSAS) 1, paragraph 66(a).
- v. The statement of financial position reflects net assets balance of Kshs.29,394,113 whereas a recalculation of the same results in a balance of Kshs.28,452,673 resulting in a unexplained variance of Kshs.941,440.
- vi. The Notes to the financial statements from Note 21 on page 29 onwards were not consistently numbered.
- vii. The report on implementation status of Auditor-General recommendations has not been signed.

In the circumstances, the annual report and financial statements do not comply with the reporting requirements prescribed by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Ineffective Imprest Management

The statement of financial performance reflects an amount of Kshs.10,998,989 in respect of use of goods and services as disclosed in Note 9 to the financial statements. Included in this amount is an amount of Kshs.2,818,359 relating to local travelling and accommodation. However, Management did not provide imprest warrants and imprest register for audit verification.

In the circumstances, the effectiveness of internal controls on imprest management could not be confirmed.

2. Incomplete Non-Current Assets Register

Review of records provided for audit revealed that the non-current assets register maintained by Management was incomplete as the size, ownership and value of land occupied by the College and value of buildings were not disclosed in the asset register. Further, the serial numbers for plant, machinery and equipment were not indicated in the assets register.

In the circumstances, the effectiveness non-current assets management could not be confirmed.

3. Lack of Risk Management Policy

During the financial year under review, the College did not have a risk management policy and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. In addition, Management did not perform formal risk assessments on all key financial risk areas such as cash, revenue and expenditure.

This was contrary to Regulation 165 (1) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which state that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management was in breach of the law and the effectiveness of risk management could not be confirmed.

4. Lack of Information and Communication Technology (ICT) Internal Controls

Review of the College's ICT environment and ICT equipment revealed that the College has no off-shore backup system, with a hard drive being used as a secondary back up and no firewall installed to protect the ICT network. Further, the College did not have ICT Steering Committee that guides key decision relating to information technology.

In the circumstances, the effectiveness of internal controls on ICT environment could not be confirmed.

5. Ineffective Human Resource Management

Review of the records in respect of human resource provided for audit revealed that the employees who served at the College were all placed under contract for one year, and no employee took his or her annual leave.

Further, review of the payroll revealed that a total of Kshs.2,265,500 was paid in respect of staff salaries. However, it was not clear how the staff salaries paid were determined, as there was no salary structure document provided for audit verification.

In the circumstances, the effectiveness of human resource management could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or 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 comply 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 International Standards for Supreme Audit Institutions (ISSAIs). The standards require 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

Report of the Auditor-General on Khwisero Technical and Vocational College for the twenty (20) months period ended 30 June, 2024

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

12 June, 2025

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

13. Statement of Financial Performance for twenty months period Ended 30 June 2024

Description	Notes	Period ended 30 th June 2024	Comparative Period Prior Year
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	5	9,021,587.50	
Grants from donors and development partners	6	28,755.00	
Transfers from other levels of government	7	2,492,938.00	
Public contributions and donations			
		11,543,280.50	
Revenue from exchange transactions			
Rendering of services- Fees from students	8	32,144,037.13	
Sale of goods		-	
Hire of facilities and equipment		-	
Finance income - external investments		-	
Other income		-	
Revenue from exchange transactions		32,144,037.13	
Total revenue		43,687,317.63	
Expenses			
Use of goods and services	9	10,998,988.95	
Employee costs	10	2,265,500.00	
Remuneration of directors(B.O.G)	11	303,240.00	
Depreciation and amortization expense		-	
Repairs and maintenance	12	725,476.00	
Acquisition of Assets	16	-	
Contracted services		-	
Grants and subsidies		-	
Finance costs	13	-	
Total expenses		14,293,204.95	
Other gains/(losses)			
Gain on sale of assets		-	
Unrealized gain on fair value of investments		-	
Impairment loss		-	
Total other gains/(losses)		-	
Total Expenses		14,293,204.95	
Net Surplus for the Period		29,394,112.68	

Khwisero Technical and Vocational College
Annual Report and Financial Statements for the twenty months for period ended 30th June 2024

.....
Chairman of Council/Board **Principal** **Finance Officer**
.....
Date 2nd May 2025 **Date** 21/5/2025 **Date** 21/5/2025

Comparative FY refers to the financial year preceding the current year.

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

14 Statement of Financial Position for twenty months period ended 30th June , 2024

Description	Notes	Period ended 30th June 2024	Prior year audited
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14(a)	2,346,404.25	-
Current portion of receivables from exchange transactions	15	25,507,052.43	-
Receivables from non-exchange transactions		-	-
Inventories		0	-
Investments		0	-
		27,853,456.68	-
Non-current assets			
Long term receivables from exchange transactions		-	-
Investments		0	-
Property, plant and equipment	16	1,540,656.00	-
Intangible assets		0	-
Investment property		0	-
Biological Assets		0	-
		0	-
Total Non current assets		1,540,656.00	-
Total Assets		29,394,112.68	-
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	941,440.00	-
Total current Liabilities		0	-
Non-current liabilities		0	-
Total liabilities		941,440.00	-
Net assets		29,394,112.68	-
Reserves		0	-
Accumulated surplus		29,394,112.68	-
Capital Fund		0	-
Total net assets and liabilities		29,394,112.68	-

The Financial Statements set out on pages 1 to 8 were signed by:

Khwisero Technical and Vocational College
Annual Report and Financial Statements for the twenty months for period ended 30th June 2024

PA
.....
PAUL ALOTO
Chairman of Council/Board

MW
.....
MABEL WAMJALA
Principal

BJ
.....
JACKLINE JERONO
Finance Officer

Date *2nd May 2025*

Date *2/5/2025*

ICPAK No
Date *2/5/2025*

Comparative FY refers to the financial year preceding the current year.

**Khwisero Technical and Vocational College
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14. Statement of Changes in Net Asset For Twenty months period ended 30th June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023 (previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	-	-	-
At July 1, 2024 (current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	29,394,112.68	-	29,394,112.68
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	29,394,112.68	-	29,394,112.68

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Khwisero Technical and Vocational College
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16. Statement of Cash Flows for Twenty months Period Ended 30th June, 2024

Description	Note	Period ended	Comparative Period
		30th June 2024	Prior Year
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities	5	9,021,587.50	
Grants from donors and development partners	6	28,755.00	
Transfers from other levels of government	7	2,492,938.00	
Public contributions and donations		-	
Rendering of services- Fees from students	8	6,636,984.70	
Other income		-	
Total Receipts		18,180,265.20	
Payments			
Employee Costs	10	2,265,500.00	
Use of goods and services	9	10,998,988.95	
Remuneration of directors(B.O.G)	11	303,240.00	
Repairs and maintenance	12	725,476.00	
Finance costs		-	
Total Payments		14,293,204.95	
Net cash flows from operating activities	47	3,887,060.25	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		1,540,656.00	
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities	17	1,540,656.00	
Cash flows from financing activities			
Proceeds from borrowings		-	
Net cash flows used in financing activities		-	
Net increase/(decrease) in cash and cash equivalents		2,346,404.25	
Cash and cash equivalents at end of the period	14	2,346,404.25	

17.Statement of Comparison of Budget & Actual amounts for twenty months period Ended 30 June 2024

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=a+b	d	e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from National Government entities	13,000,000.00	0	13,000,000.00	9,021,587.50	69.40
Grants from donors and development partners	0	28,775.00	28,775.00	28,755.00	99.93
Transfers from other levels of government	5,000,000.00	0	5,000,000.00	2,492,938.00	49.86
Public contributions and donations	-	0	0	0	0.00
Rendering of services- Fees from students	7,872,000.00	0	7,872,000.00	6,636,984.70	84.31
Sale of goods	-	0	0	0	0.00
Hire of facilities and equipment	-	0	0	0	0.00
Finance income	-	0	0	0	0.00
Other income	-	0	0	0	0.00
Total Revenue	25,872,000.00	0	25,900,775.00	18,180,265.20	0.00
Expenditure					0.00
Use of goods and services	21,132,000.00	0	21,132,000.00	10,998,988.95	52.05
Employee costs	2,640,000.00	0	2,640,000.00	2,265,500.00	85.81
Remuneration of directors	1,500,000.00	0	1,500,000.00	303,240.00	20.22
Repairs and maintenance	600,000.00	0	600,000.00	725,476.00	120.91
Contracted services(acquisition of assets)		0	-	1,540,656.00	0.00
Grants and subsidies	-	0	-	-	0.00
Finance costs	-	0	-	-	0.00
Total Expenses	25,872,000.00	0	25,900,775.00	15,833,860.95	61.13
Surplus	0	0	-	2,346,404.25	0.00

Khwisero Technical and Vocational College
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(Budget notes)

- 1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
- 2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*
- 3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

15. Notes to the Financial Statements

1. General Information

Khwisero Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide technical and 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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Khwisero Technical and Vocational College. The values are rounded off to the nearest shilling.

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

Khwisero Technical and Vocational College
Annual Report and Financial Statements for twenty months period ended 30th June 2024

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. State the expected impact of the standard to the Entity if relevant
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. State the expected impact of the standard to the Entity if relevant
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. State the expected impact of the standard to the Entity if relevant
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

Khwisero Technical and Vocational college did not early adopt any new or amended standards in year ended 30th June 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 (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

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

c)

d) Taxes

Current income tax

The entity is exempt from paying taxes as per Income tax Cap 470 Act.

Sales tax/ Value Added Tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

e) Investment property

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

f) Property, plant and equipment

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

g) Leases

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

h) 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.

i) Research and development costs

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

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

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

j) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

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t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) 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, 2024

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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Notes to the Financial Statements

5. (a) Transfers from National Government Entities

Description	Period ended 30 th June 2024	Comparative Period
	KShs	KShs
Unconditional grants		
Capitation grants	1,521,587.50	
Operational grant	2,500,000.00	
Unconditional Development grants	5,000,000.00	-
Other grants		-
Total Unconditional grants	9,021,587.50	-
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total conditional grants	-	-
Total government grants and subsidies	9,021,587.50	-

6 Grants From Donors and Development Partners

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Community Asset Building Development	20,000.00	
World Bank grants	-	-
In-kind Donations	-	-
Other grants	8,755.00	-
Total grants from development partners	28,755.00	-

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7 Transfers From Other Levels of Government

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Transfer from NG-CDF	2,492,938.00	
Transfer from xxx University	-	-
Transfer from xxx institute	-	-
Total Transfers	2,492,938.00	-

8 Rendering of Services

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Tuition fees(Helb)	3,158,666.70	
Scholarship(Helb)	1,881,292.00	
Trainee Parents fee, Examination fees and Application fee	1,597,026.00	-
Library fees	-	-
Facilities and materials	-	-
Registration fees	-	-
Others income	-	
Total revenue from the rendering of services	6,636,984.70	

9 Use of Goods and Services

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Teaching and learning materials(training)	2,444,561.00	
Industrial attachment costs(Insurance)	9,432.00	-
Electricity	37,000.00	-
airtime	11,150.00	
Security	96,000.00	
Professional and Consultancy services(Strategic plans)	80,000.00	
Subscriptions and Reg. KATTI	456,952.00	

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Advertising and marketing	775,015.00	
Examination fees	543,897.00	
Computer and Computer accessories	183,300.00	
Catering, Conferences, and delegations	130,222.00	
Local Travelling and accommodation	2,818,359.00	
Activity expenses	597,605.00	
Greening of Tvet(beautification)	37,570.00	
Recruitment Cost (PSC)	412,800.00	
Postage	3,174.00	
Printing and stationery	451,995.00	
Cleaning expenses	157,195.00	
Student welfare	103,780.00	
Bank Charges	24,451.95	
Other (administration cost)(Accomodation)	1,624,530.00	
Total good and services	10,998,988.95	

10 Employee Costs

Description	Period ended 30 th June 2024	Comparative Period
	KShs	KShs
Salaries and wages	2,265,500.00	
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Employee costs	2,265,500.00	-

11 Remuneration of Directors

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Chairman's Honoraria	-	-
Director's emoluments	-	-

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Other allowances(B.O.G)	303,240.00	
Total director emoluments	303,240.00	

12 Repairs and Maintenance

Description	Period ended 30 th June 2024	Comparative Period
	KShs	KShs
Property	561,436.00	
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	164,040.00	
Computers and accessories	-	-
Other	-	-
Total repairs and maintenance	725,476.00	-

13 Finance Costs

Description	Period ended Jun-24	Comparative Period
	KShs	KShs
Borrowings (amortized cost)*	-	-
Bank charges		
Finance leases (amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

14(a) Cash and Cash Equivalents

Description	Period ended 30 th June 2024	Comparative Period
	KShs	KShs
Current account	2,346,404.25	-
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(cash in hand)	-	-
Total cash and cash equivalents	2,346,404.25	-

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14 (b). Detailed Analysis of Cash and Cash Equivalents

		Period ended 30 th June 2024	Comparative Period
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1303241277	2,346,404.25	-
Equity Bank, etc		-	-
Sub- total		2,346,404.25	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
d) Staff car loan/ mortgage			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
e) Others(specify)			
Cash in transit		-	-
cash in hand		-	-

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Mobile Money account		-	-
Sub- total		-	-
Grand total		2,346,404.25	-

15(a) Current Receivables from Exchange Transactions

Description	Period ended 30 th June 2024	Comparative Period
	KShs	KShs
Current receivables		
Student debtors	25,507,052.43	-
Rent debtors	-	-
Less: impairment allowance	-	-
Total current receivables	25,507,052.43	-

16 Acquisition of Property, Plant and Equipment

Description	Period ended Jun-24	Comparative Period
	KShs	KShs
Purchase of plant and machinery(lawn moew)	22,499.00	-
Purchase of automative vehicle		-
Construction of college canteen and security office		-
Construction of Building workshop	1,279,977.00	-
Purchase and installation of college gate		-
Purchase of water tank		-
Purchase of furniture and fittings	238,180.00	
Construction of stores under college ramp		-
Total inventories at the lower of cost and net realizable value	1,540,656.00	-

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**17 Property,
Plant and Equipment**

Cost	Land	Buildings	M o t o r v e h i c l e s	Furnitur e and fittings	Comput ers	Plant and equipment	Total
	Shs		Sh s	Shs	Shs	Shs	Shs
As at 01 July 2023	NA	-	-	-	-	0	0
Additions during the Year	-	1,279,977.00	-	238,180.0 0	-	22,499.00	1,540,656.00
Disposals during the year	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
Net book values							
As at 30 June 2024 (close of the current period)	-	1,279,977.00		238,180.0 0	-	22,499.00	1,540,656.00
As at 30 June 2023 end of prior year audited	NA	-	-	-	-	-	-

18 Trade and Other Payables from Exchange Transactions

Description	Period ended June 2024	Comparative Period
	KShs	KShs
Consultancy debtors	208,000.00	-
Other exchange debtors	733,440.00	-
	-	-
	-	-
Other payables	-	-
Total trade and other payables	941,440.00	-

19 Events After the Reporting Period

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

20 Ultimate And Holding Entity

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

21 Currency

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

**Appendix I: Projects
Implemented by the Entity**

Projects

Projects implemented by the TVET Funded by development partners

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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					
	2					

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

Appendix III Statement of Financial Performance

Description	Notes	Q1	Q2	Q3	Q4	cumulative	Comparative Period
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue from non-exchange transactions							
Transfers from National Government Entities		-	-			9,021,587.50	0
Grants from donors and development partners		-	-			28,755.00	0
Transfers from other levels of government		-	-			2,492,938.00	0
Public contributions and donations		-	-			-	0
		-	-			11,543,280.50	0
Revenue from exchange transactions							
Rendering of services- Fees from students		-	-			6,636,984.70	0
Sale of goods		-	-			-	0
Hire of facilities and equipment		-	-			-	0
Finance income - external investments		-	-			-	0
Other income		-	-			-	0

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Revenue from exchange transactions		-	-		6,636,984.70	0
Total revenue		-	-		18,180,265.20	0
Expenses						
Use of goods and services		-	-		10,998,988.95	0
Employee costs		-	-		2,265,500.00	0
Remuneration of directors		-	-		303,240.00	0
Depreciation and amortization expense		-	-		-	0
Repairs and maintenance		-	-		725,476.00	0
Acquisition of Assets		-	-		1,540,656.00	0
Grants and subsidies		-	-		-	0
Finance costs		-	-		-	0
Total expenses		-	-		15,833,860.95	0
Other gains/(losses)						
Gain on sale of assets		-	-		-	0
Unrealized gain on fair value of investments		-	-		-	0
Impairment loss		-	-		-	0
Total other gains/(losses)		-	-		-	0
Net Surplus for the Period		-	-		2,346,404.25	0

16. Sale of Goods

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	-

(Provide brief explanation for this revenue)

17. Rental revenue from facilities and equipment

Description	As at 30 th June 2024	Comparative period
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (specify)	-	-
Total	-	-

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18. Finance Income

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

19. Miscellaneous Income

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

20. Depreciation and Amortization expense

Description	Period ended 30th june 2024	Comparative period
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

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21. Contracted Services

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

22. Grants and Subsidies

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

23. Finance Costs

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

*(*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

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24. Gain On Sale of Assets

Description	Period ended 30 th june 2024	Comparative period
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

25. Gain/(loss) on Fair Value Investments

Description	Period ended 30 th june 2024	Comparative period
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

26. Impairment Loss

Description	Period ended 30 th june 202 4	Comparative period
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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27. Long- term Receivables from Exchange transactions

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

28. Ageing Analysis of Receivables from Exchange transactions

Description	Period ended 30 th June 2024		Comparative period	
	Kshs		Kshs	
	Current	% of total	Comparative	% of total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

29. Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	Period ended 30 th June 2024	Comparative FY
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	--
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

30. Receivables from Non-Exchange transactions

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

31. Ageing Analysis on Receivables from Non-Exchange Transactions

Description	Period ended 30 th June 2024		Comparative period	
	Kshs		Kshs	
	Current	% of the total	Comparative	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	-	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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32. Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	--	-
At the end of the year	-	-

33. Inventories

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

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34. Investments in financial assets

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	--
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

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

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Current	Comparative period
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

35. Prepayments

Description	Period ended 30 th June 2024	Comparative period
	Kshs.	Kshs.
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were yet to be revalued.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

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33. Intangible Assets

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions—internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

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34. Investment Property

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

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

35. Biological Assets

	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Trade payables	-	-
Fees paid in advance	-	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	-	-

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Ageing analysis:	Period ended 30 th June 2024	% of the Total	Comparative period	% of the Total
Under one year	-	%	-	-
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	-	%	-	-

37. Refundable Deposits from Customers/Students

Description	Period ended 30 th June 2024		Comparative period	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		-	
Ageing analysis:	Current year	% of the Total	Comparative period	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (to tie to totals deposits above)				

38. Current Provisions

Description	Leave provisio n	Bonus provisio n	Gratuity Provisio ns	Other provisio n	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year					
Additional Provisions					
Provision Utilised					
Change Due To Discount And Time Value For Money					
Transfers From Non -Current Provisions					
Total Provisions					

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39. Finance Lease Obligation

Description	Period ended 30 th june	Comparative period
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount
	Kshs
Year 1	
Year 2	
Year 3	
Year 4	
Year 5 and Onwards	
Less: Unearned Interest	
Total	

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

40. Deferred Income

Description	Period ended 30 th june 2024	Comparative period
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		

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Total Deferred Income		
------------------------------	--	--

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward				
Additions during the year				
Transfers to capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward				

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

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Retirement benefit Asset/ Liability

Khwisero tvc is yet to come up with retirement benefit policy.

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (Post- Retirement)		
Withdrawals		

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Ill Health		
Retirement		

Recognition of Retirement Benefit Asset/ Liability

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

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial Gains/ Losses Arising From changes In Financial Assumptions		
Actuarial gains and losses arising from experience adjustments		
Others (<i>specify</i>)		
Adjustments for restrictions on the defined benefit asset		
Remeasurement of the net defined benefit liability (asset)		

- b) Amounts recognised in the Statement of Financial Position

Description	Period ended 30 th 2024	Comparative period
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others (<i>specify</i>)		
Net asset or liability arising from defined benefit obligation		

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

42. Payments received in advance.

Description	Period ended 30 th June 2024		Comparative period	
	Kshs		Kshs	
Fees received in advance				
Others (Specify)				
Total				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total				

43. Borrowings

Description	Period ended 30 th June 2024		Comparative period	
	Kshs		Kshs	
Balance at beginning of the year				
External borrowings during the year				
Domestic borrowings during the year				
Repayments of external borrowings during the year				
Repayments of domestic borrowings during the year				
Balance at end of the year				

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43 a) Analysis of External and Domestic Borrowings

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'		
Sterling pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
Domestic borrowings		
Kenya shilling loan		
Total balance at end of the year		

43 b) Breakdown of Long and Short-Term Borrowings

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44 .Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Less: Current portion					
Total deferred income					

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(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 38)

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45. Service Concession Arrangements

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with disabilities benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

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

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47. Cash generated from operations.

Surplus for the year before tax	Period ended	Comparative
	30th June 2024	period
	Kshs	Kshs
Adjusted for:		
Depreciation	-	
Non-Cash grants received	-	
Contributed assets	-	
Impairment	-	
Gains and Losses on Disposal of Assets	-	
Contribution to provisions	-	
Contribution to impairment allowance	-	
Finance Income	-	
Finance Cost	-	
Working Capital Adjustments		
Increase in Inventory	-	
Increase in Receivables	18,180,265.20	
Increase in Deferred Income	-	
Increase in Payables	(14,293,204.95)	
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	3,887,060.25	

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

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48. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022(previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024 (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024 (current year)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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Foreign currency sensitivity analysis

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

u	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
Usd	10%	-	-
20xx			
Euro	10%	-	-
Usd	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	Period ended 30 th June 2024	Comparative period
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash and Cash Equivalents)		
Gearing		

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6. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	30 th June 2024	Comparative period
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	-	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total		

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Description	30 th June 2024	Comparative period
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

7. Segment Information

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

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8. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	30 th June 2024	Comparative period
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	30 th June 2024	Comparative period
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against (khwisero technical and vocational col)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

9. Capital Commitments

Capital Commitments	30 th June 2024	Comparative period
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

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10. Events After The Reporting Period

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

11. Ultimate And Holding Entity

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

12. Currency

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

36. 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)

Guidance Notes:

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

.....
 Name **Mabel Wanjala**
 Accounting Officer
 (Khwisero Technical And Vocational College)
 Date **21/5/25**

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Appendix II: Projects Implemented by (The Entity)

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity..... MAWEGO TII

Name of beneficiary entity..... KHWISERO TVC

Confirmation of amounts received by Khwisero Technical and Vocational College as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
KTVC/FUNDTRANSFER ACCEPTANCE/5/2024	27 th May 2024	0	5,000,000	5,000,000	
Total		0	5,000,000	5,000,000	

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Jackline Janno Sign [Signature] Date 7/5/24

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments