

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 JUN 2025

DAY.

Wednesday

PARLIAMENT  
OF KENYA  
LIBRARY

OF BY:

TABLED

Hon. Owen Baya, MP  
Deputy leader of Majority

CLERK-AT  
THE-TABLE:

hon. a/c

THE AUDITOR-GENERAL

ON

NYAKACH TECHNICAL AND VOCATIONAL  
COLLEGE

FOR THE YEAR ENDED  
30 JUNE, 2024

STATE DEPARTMENT FOR TECHNICAL AND  
VOCATIONAL EDUCATION AND TRAINING



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**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
**P.O BOX 159-40109**  
**SONDU-KENYA**  
**Cell: 0797142166/0762706351**  
**Email: [nyakachtechnical@gmail.com](mailto:nyakachtechnical@gmail.com)**

**REVISED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
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**1. Acronyms & Glossary of Terms**

AFIRM	Administration, Finance, Infrastructure and Resource Management Committee
ARC	Audit and Risk Compliance Committee
BBA	Bachelors Business Administration
BCOM	Bachelor of Commerce
BOG	Board of Governors
BSL	Bachelors of Social Legislation
BSc	Bachelors of Science
CBET	Competency Based Education and Training
CPAK	Certified Public Accountant Kenya
DTE	Diploma in Technical Education
ERIT	Education, Research, Innovation and Training Committee
ENG.	Engineer
Fiduciary Management	Key management personnel who have financial responsibility in the entity
ICPAK	Institute of Certified Public Accountants of Kenya
IT	Information Technology
IPSAS	International Public Sector Accounting Standards
JOUST	Jaramogi Oginga Odinga University of Science and Technology
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KUCCPS	Kenya Universities and Colleges Central Placement Services
KSG	Kenya School of Government
KSTVET	Kenya School of Technical and Vocational Education Training
KEMU	Kenya Methodist University
KIM	Kenya Institute of Management
LLB	Bachelors of Laws
MSc	Masters of Science
MBA	Masters Business Administration
NTVC	Nyakach Technical and Vocational College
NGO	Non- Governmental Organization

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OS	Occupational Standards
PhD	Philosophy of Doctorate Degree
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SCM	Supply Chain Management
SMC	Senior Management Course
SGC	Single and Group Certificates
SLD	Strategic Leadership Development
SP	Strategic Planning
TVET	Technical Vocational and Education Training
TVC	Technical Vocational College
UON	University of Nairobi

**2. Key Entity Information and Management**

**(a) Background information**

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

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

**(b) Principal Activities**

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

1. Provide, directly or in collaboration with other institutions of higher learning, facilities for technical training in technical and professional education;
2. Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific, and technological development;
3. Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
4. Promote and establish a culture of innovation in engineering and technology 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;

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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;

**(c) Key Management**

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

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

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 20234 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Senior Principal	Mrs Risper D. Anyango Odhiambo
2.	Deputy Principal (Admin)	Mr Polycarp Ndetta Olungas
3	Ag. Registrar	Mr Fredrick Okara
4	Ag Dean of trainees	Ms Ephy Bonyo
5	Finance Officer	Ms Adeline Gechemba Ongaki
6	Procurement Officer	Ms Antonina Anyango Omwandho

**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

In order to facilitate the smooth running of its affairs, Nyakach 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, Research, Innovation and Training Committee (ERIT)
- (ii) Administration, Finance, Infrastructure and Resource Management Committee (AFIRM)
- (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 Management Committee.

**(i) Education, Research, Innovation and Training Committee**

***Roles and functions***

- a) Monitor and oversee institutional excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- b) To oversee the management of scholarships, bursaries and prizes which may be provided for by the Academic Policy;
- c) To submit regular reports to the Board on all matters related to education, training and research;
- d) Evaluate regular reports on academic progress, conduct of examinations and consider academic awards
- e) To receive and consider proposals for development and further training of the academic staff of Nyakach TVC

- f) To receive and consider proposals for collaboration with other institutions of higher learning, research and technology for the enhancement of technological, professional and scientific education;
- g) To receive, review and consider proposals for introduction of new or exciting courses and subjects of study, institutes, departments, resources, research and innovation.

**(ii) Administration, Finance, Infrastructure and Resource Management Committee**

***Roles and functions***

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

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- g) Monitor and review all appropriation-in-aid to ensure compliance with donor and / or government guidelines, legal and regulatory requirements, policies and procedures.
- h) Oversee the development of policies and procedures to enhance effective and efficient utilization of all the resources of the TVC.

**(iii) 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:

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

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**(f) Entity Headquarters**

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

**(g) Entity Contacts**

Telephone: (254) 0797142166  
(254) 0762706351

E-mail: [nyakachtechnical@gmail.com](mailto:nyakachtechnical@gmail.com)

Website: [www.nyakachtvc.ac.ke](http://www.nyakachtvc.ac.ke)

**(h) College Bankers**

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

Equity Bank  
Oyugis Branch  
P.O. Box 246-40109  
Oyugis

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**3. Board of Governors**  
**Board of Governors**

1.



Prof. Basil Iro. Ong'or, BSc.  
Eng. MSc.Eng. PhD

**Name:** Prof. Basil Iro Ong'or, PhD

**County:** Kisumu

**Date of Birth:** 1967

**Position:** Chairperson

**Academic Qualifications:** BSc. in Agricultural Eng. - Soil and Water (Egerton University), MSc Water Resources Eng. (University of Dar res Salaam Tanzania), PhD in Hydrology and Water Resources (Hohai University) China.

Prof. Basil is a member of Engineers Registration Board, Institute of Engineers of Kenya, International Association of Hydrological Sciences, and Kenya Society of Environmental, Biological and Agricultural Engineers.

He is associate Professor of Hydrology at the Masinde Muliro University of Science and Technology. Prof. Basil is currently the Chairperson of the Board of Governors of Nyakach Technical & Vocational College. He has broad experience in administration and management, education and human resource management having acted as the Deputy Vice Chancellor administration and finance and Dean of Faculty of engineering among others.

2.



John Wamae Msc Bsc

**Name:** John Wamae

**County:** Laikipia

**Date of Birth:** 1969

**Position:** Member.

**Academic Qualifications:** Msc applied statistics and Bsc maths and computer science, PGDE. Worked with TSC as a teacher. He has Worked with the Ministry of Education as quality assurance and standards officer for TVET and is currently the Regional director for TVET Kisumu/Siaya/Homabay.

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3.



Janet Kwamboka. BSc.

**Name:** Janet Kwamboka  
**County:** Kisii  
**Date of Birth:** 1982  
**Position:** Chair of ERIT Committee  
**Academic Qualifications:** BSc. Maths and Computer Science (JKUAT). She is currently pursuing Master in Leadership (Pan African University).  
Ms. Kwamboka is the chair of the Education, Research, Innovations and Training Committee.

She is the founder and vision bearer of Inner Power Consultants Limited. She is also the lead trainer of the firm. She has a wealth of experience having previously worked as a Corporate Relationship manager and Business consultant in the financial services sector for over 12 years in both retail and corporate banking at the National Bank of Kenya.

4.



Risper D. A. Odhiambo,  
Secretary to the Board  
(Senior Principal) B.Ed.

**Name:** Risper D.A Odhiambo  
**County:** Kisumu  
**Date of Birth:** 1969  
**Position:** Secretary to the Board  
**Academic Qualifications:** B.Ed. (Moi University), is Pursuing Master in Project Planning, Development and Management (Maseno University).

Mrs Odhiambo has over 30 years working experience, more of which has been in senior leadership and management positions in educational and training institutions. She is currently the senior Principal.

5.



Judith Auma Okal, LLB.  
BSL.

**Name:** Judith Auma Okal  
**County:** Kisumu County  
**Date of Birth:** 1974  
**Position:** Chair of AFIRM Committee  
**Academic Qualifications:** LLB (DR. BAMU University of India), SL. Bachelors (DR. BAMU University India), Post Graduate Diploma in Law (Kenya School of Law).

Ms. Okal is an advocate of the High Court and a distinguished legal practitioner for over 20 years. Her (LSK Adm No. P105/4667/01). She has a wealth of knowledge on Human Resource matters. She is the

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6.



CPA Phoebe Musau, CPA (K) BCom, MSC.

Chairperson of Administration, Finance, Infrastructure and Resource Management Committee.

**Name:** CPA Phoebe Musau

**County:** Makueni County

**Date of Birth:** 1984

**Position:** Chair of Risk & Compliance Committee

**Academic Qualifications:** CPA(K), B. Com (Accounting & Finance) Strathmore University, MSc. (Finance) Kenyatta University. She is a member of ICPAK, Number 14305.

CPA Phoebe has extensive experience in finance and administration matters that spans over 10 years. She is currently working at Mutiso Munezes International. She is the Chairperson of Risk and Compliance Committee.

7.



Eng. Bovince Ochieng BSc Engineering.

**Name:** Bovince Ochieng

**County:** Kisumu County

**Date of Birth:** 1984

**Position:** Member

**Academic Qualifications:** BSc. Eng. (UoN)  
Eng. Bovince holds a Bachelor's Degree in Electrical and Electronics Engineering from the University of Nairobi. He is the Chief Officer of Trade, Tourism, Industry and Marketing in the County Government of Kisumu. He also served as the Director of Trade & Enterprise Development for three (3) years in the same County. He is an established entrepreneur with over 10 years wealth of experience in the private sector, demonstrated leadership & managerial skills at various levels and the co-founder of Free space Communications Ltd.

8.



Eng Nyarotho, Bsc. Mech. Eng.

**Name:** Julius Nyarotho

**County:** Kisumu County

**Date of Birth:** 1948

**Position:** Member

**Academic Qualifications:** BSc. Mech. Eng. (UoN).  
Eng. Nyarotho is the former Chairman of Kenya Sugar Board. He also worked as a Mechanical Engineer in construction, installation and commissioning of equipment in the sugar industry. He has vast experience of the industry dynamics and Management. He is a member of the Institution of Engineers of

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9.



Mr. Paul Okumu BBA, Dip  
mgmt, DIP SCm

Kenya and a registered engineer of Kenya Registration Board. Eng. Nyarotho has travelled widely all over the world i.e. Australia, Germany, UK, USA, South Africa & Swaziland.

**Name:** Paul Ajwang Okumu

**County:** Kisumu County

**Date of Birth:** 1986

**Position:** Member

**Academic Qualifications:** DIP Mgmt. Dip SCM (KIM), Dip C&F (Universal Colleges) BBA (KEMU). Paul is the founding General manager of Wolfenberg International Limited based in Nairobi; a firm that specialises in electronic merchandise and other manufactured goods. He has broad experience in managing people, leadership, entrepreneurship, business partnership and management.

10.



Eng. Kunal Mehta  
BSc Eng.

**Name:** Kunal Mehta

**County:** Kisumu County

**Date of Birth:** 1985

**Position:** Member

**Academic Qualifications:** Bachelor of Electrical & Electronic Eng. (Imperial College London, UK), 1<sup>st</sup> Class Honors.

Eng. Kunal Mehta is an experienced renowned entrepreneur in Kenya from the Lakeside. He has been a successful entrepreneur. He is the founder and the General manager of western Emporium Company Ltd (1975) and has a wealth of experience in resource mobilisation.

#### **4. Key Management Team**

1.



**Name:** Risper D.A. Odhiambo  
**Position:** Principal  
**Academic Qualifications:** B.Ed. (Moi University), Pursuing Master of Project Management (Maseno University).

2.



**Name:** Didan Omondi Jagero  
**Position:** Deputy Principal – Administration.  
**Academic Qualifications:** Bachelors of Education, Technology Education (Power Mechanics Technology) Eldoret University, Diploma in Technical Education, Automotive Engineering (KSTVET).

3.



**Name:** Barack Oro  
**Position:** Deputy Principal – Academics  
**Academic Qualifications:** Masters in Business Administration-Supply Chain Management, Bachelor of Education Art, CPSP-K & Diploma in Supplies Chain Management

4.



**Name:** Fredrick Ogunde Okara  
**Position:** Registrar  
**Academic Qualifications:** BSc. Computer (Maseno University).  
He is also the Performance Contracting Coordinator

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5



**Name:** CPA Adeline Gechemba Ongaki

**Position:** Finance Officer

**Academic Qualifications:** DTE (KSTVET) CPA(K)  
(Vision Institute of Professionals), BCOM Finance (KCA  
University)

6



**Name:** Antonina Anyango Omwandho

**Position:** Procurement Officer

**Academic Qualifications:** BBM Procurement & Supplies  
(Rongo University)

### **5. Chairman's Statement**



#### **Prof. Basil Iron Ong'or, PhD**

During the period under review, the college faced quite a number of challenges especially decrease in the amount of capitation from the Government as well as delay of disbursements of capitation for every quarter. There was also the challenge of low enrolment of trainees and poor fees payment by the trainees due to poverty in the surrounding community which also led to low revenue collection. Due to unpredictable disbursement of capitation by government and low fee collection over the last financial year, the college has been forced to reduce the number of BOG staff and reduce the contract of BOG employees from one year to a three months renewable contract.

The College Strategic Plan will help the college in achieving its mission and vision, to supplement the inadequate government funding. The college has put mechanisms to establish production activities and to enhance Public Private Partnership. All these efforts are aimed at assisting the College to generate the much-needed revenue to support its operations.

#### **Conclusion**

In conclusion therefore, the College's future is dependent on Government support and other key stakeholders. In this regard, I would like to register my special gratitude to the National Government through the Ministry of Education for their support and look forward to continued support during this new financial year.

A handwritten signature in blue ink, appearing to be 'BIO'.

Prof. Basil Iro Ong'or, PhD  
Chairperson of the Board

## **6. Report from the Senior Principal**



It is my pleasure to present the Annual Report and Financial Statements of Nyakach Technical and Vocational College for the Year Ended 30th June, 2024. This has been a year of many challenges brought about by the economic hardship the country is facing.

### **Revenue Collection AIA**

The tuition fee collection increased from Kshs 16,271,928 collected during the year 2022/2023 to Ksh. **22,546,416.85** in the year 2023/2024. The low collection of tuition fee is attributed to the declining capitation from government and poor fee payment by trainees due to high levels of poverty within the community. Since the college relies on this stream of revenue to finance its operations, most of the programs have been generally affected.

The achievements in the 2023/2024 financial year was brought about by high uptake of HELB Loan, receipt of support from other partners like NGAAF, NGCDF and SHOFCO. However, some of the key achievements include the following

### **Academic Matters:**

The college continued with its core business of Teaching, Training and Research. The trainees were able to learn and the assessments were conducted successfully.

### **Trainees Affairs**

Although the College did not have sufficient funds, trainees were able to participate in regional ball games as part of co-curricular activities and also participated in TVET trade fair at regional and National levels.

### **Statutory Compliance**

In compliance with statutory requirements, the college submitted the NHIF, NSSF and KRA dues in time.

### **Strategic Plan**

During the year under review the college developed a strategic plan covering the year 2023-2028. The plan will be implemented and will help the college in achieving its vision and mission.

### **NTVC Future Outlook**

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In light of the progress being made in the financial year 2023/2024, and in line with our strategic objectives that we have committed ourselves to accomplish, we have every confidence that we will be able to achieve our targets.

As far as our business performance is concerned, we can say, our focus is to enhance quality of teaching and learning through implementation of CBET curricula, financial resource mobilisation, research and innovation and improving corporate governance, partnerships and linkages for effective service delivery remain our key priority areas. They will not only lead us to financial sustainability, but provide overall support at a time when we are still working on driving growth in all areas of the institution.

**Government support**

On behalf of the College, I wish to take this opportunity to thank the National Government for financial support accorded to the college within the financial year.

Finally, I would like to express my appreciation to the College's Board of Governors for providing policy guidelines and the entire college community for working tirelessly to ensure successful and smooth operations of the college. I would also like to thank our stakeholders for their continued support and confidence in our leadership and vision.



Risper D. A. Odhiambo  
Senior Principal

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**7. Statement of Performance against Predetermined Objectives**

In July 2023, the College Board identified some key elements of the College Strategy which would need to be addressed as a matter of imperative to provide the foundations for delivery of strategy. It was agreed that the College Board would focus their attention on these key pillars and the delivery of a number of specific impacts.

*Nyakach TVC* has strategic themes and objectives within the current Strategic Plan for the FY 2023-2024 FY. These strategic pillars are as follows:

**STRATEGIC THEME/ISSUE:** Quality Training for Sustainable Development

**STRATEGIC OBJECTIVE 1:** To enhance teaching and learning

*Strategies*

1. Launch market driven courses in liaison with the industry
2. Entrench CBET by implementing approved CDACC curricula

**STRATEGIC THEME/ISSUE:** Resource Mobilization and Management

**STRATEGIC OBJECTIVE 2:** To Improve Resource Mobilization and utilization for financial sustainability

*Strategies: Proposal writing, fundraising events, seeking donations, Partnerships, increase trainee enrolment*

**STRATEGIC THEME/ISSUE 3:** Develop and maintain physical and technological infrastructure

**STRATEGIC THEME/ISSUE 4:** Improve corporate governance, partnerships and linkages for effective service delivery

**STRATEGIC THEME/ISSUE 5:** Improve the institutional research and innovation

*Nyakach TVC* develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. *Nyakach TVC* achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

<b>STRATEGIC THEME/ISSUE1:</b> Quality Training	To enhance teaching and learning	Availability of the CBET programmes	Procure CBET curricula, OS and launch	Implemented CBET courses in all departments

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for Sustainable Development			relevant market driven CBET courses	
<b>STRATEGIC THEME/ISSUE2:</b> Resource Mobilization	To Improve Resource Mobilization and utilization for financial sustainability	Amounts of Funds Sourced	Develop resource mobilization Strategy  Sourcing funds as per Board Mandate	Work in progress
<b>STRATEGIC THEME/ISSUE 3:</b> Develop and maintain physical and technological infrastructure	Quality of Electricity and Distribution System	Reduced power Interruptions.  Stable reliable and efficient internet.	Upgrade electricity supply and distribution system	Work in progress
<b>STRATEGIC THEME/ISSUE 4:</b> Improve corporate governance, partnerships and linkages for effective service delivery	To Increase partnerships and collaboration with industry	No. of collaborative initiatives formed	Identify and work with key partners in industry and communities to collaborate in the development of skills	signed MoUs with 2 industry players.
<b>STRATEGIC THEME/ISSUE5:</b> Research, Innovation and Technology	To improve the institutional research and innovation capacities for alignment with industry	No. of funded proposals  No. of research forums organised/attended.  No. of trainers and trainees who are writing winning research proposals	Develop winning research proposal writing skills among the trainers and trainees	We held a research forum during open day.

## **8. Corporate Governance Statement**

Nyakach Technical and Vocational College is a Government tertiary technical and vocational technical education institution established through the TVET Act No. 29 of 2013. The College's core activity is to provide vocational and technical education and research. The College's vision is to be a reputable institution in innovation, research, training and the production of highly skilled personnel and market driven merchandise.

Nyakach TVC Board is committed to the highest standards of financial reporting and corporate governance in order to increase the long-term value for all stakeholders.

### **1. Current Constitution and appointment of the College Board**

The College Board was reconstituted by the Cabinet Secretary, Ministry of Education through appointment letters dated 31st August 2022 for a period of three years. The mandate of the Board amongst other responsibilities is to give policy guidelines in order to ensure the smooth operations of the college activities.

The Board comprises of nine (9) Board members, eight of whom are appointed by the Cabinet Secretary of Education excluding the Senior Principal and the County Director of TVET. Their brief biographies are on page VI. The Board defines the College's strategies, objectives and values and ensures that procedures and practices are set in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members bring a wealth of experience and knowledge to the Board's deliberations. The Board members are appointed by the Cabinet Secretary of Education for three years and may be re-appointed for another three years; to serve for a maximum of six years.

The Board has delegated authority for the day to day operations of the College to the Senior Principal of the College as the Chief executive officer. The senior principal responsibility to the Board is to define strategies of the college and to ensure that the College complies with statutory and regulatory requirements as well as its responsibilities to the stakeholders. The Board meets at least four (4) times in a year for scheduled meetings and on other occasions as may be necessary.

The current membership of the College Board is as follows:

- a) Chairperson – The Chairperson is appointed by the Cabinet Secretary of Education.
- b) County Director of TVET – is a representative of the PS
- c) Seven other members appointed by the Cabinet Secretary of Education, one of which is a representative of the Governor.

d) Senior Principal, who is the Secretary to the Board.

## **2. Responsibilities of the College Board**

The College Board is responsible for:

- a) The mission and vision of the College
- b) Promoting the aims and objectives of the College
- c) Setting strategic directions for the College
- d) Oversight of management
- e) Make and approve policies in accordance with the TVET Act 2013
- f) The appointment of BOG staff
- g) Setting and monitoring board budget and planning framework, ensuring that the college finances are sound, and taking major financial decisions
- h) Monitoring college performance against strategic objectives
- i) Setting and clearly examining Board policy and risk management
- j) Extending links and communication between the college and the wider community
- k) Legislative roles including ensuring that the college is acting without ethnic bias and is in conformity with all legal requirements.
- l) Fundraising and resource mobilisation
- m) Approve budgets of the college
- n) Board performance and succession planning

The current Board was constituted by the Cabinet Secretary of Education on 31<sup>st</sup> August, 2022. The profile of the current College Board members is provided on page x.

### **Process of Appointment of Board Members**

Whereas the TVET Act provides for composition of Board Members, it does not provide for the process and timelines for appointment of members. The process of appointment of Board members, therefore, is as follows:

- (i) Sixty (60) days to the end of the term of office of a member of the College Board, notice is issued by the College Board Secretary to the appointing constituency to appoint its representative.
- (ii) The names of the proposed representative (s) in (i) above are considered for appointment by the Minister within twenty-one (21) days of the expiry of the term of the College Board.
- (iii) The Cabinet secretary Issues notice of appointment through the Kenya Gazette notice of the appointment of the members to the Nyakach TVC Board and issues letters of appointment to the Principal who in turn issues the letters to the appointed members.

### **Inauguration Meeting of the Board**

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At the commencement of the inauguration meeting members present are introduced by the Secretary to the Board. The chairperson of the Board effective immediately chairs the first College Board meeting after the inauguration of Board.

Board standing committees are constituted and the chairperson of Board appoints the Chairs of Committees of the Board in writing with clear terms of service.

**Remuneration of the Board Members**

Nyakach TVC Board members other than the Senior Principal do not receive a salary. They are however paid a sitting allowance for every meeting attended. The allowances paid to Board members are disclosed in note 11 of the Financial Statements.

**Termination of Board Membership**

a) Resignation from Board

A Board member may resign at any time by giving notice in writing to the appointing authority copied to the chairperson of Board and the Secretary to the Board

b) Death of a member

c) A member being of unsound mind

d) Non-attendance of four (4) consecutive regular Board sittings without permission from chairperson of the Board.

e) Conviction for criminal offence of capital in nature.

f) Being removed from Board as a member of the Board.

**3. College Board Meetings**

The meetings of the College Board are held at least once every Quarter in a calendar year. In order to facilitate the smooth running of the affairs, the College Board establishes such committees with membership and with terms of references as it may deem fit. A calendar or schedule of meetings of the College Board and its committees is prepared before the beginning of each financial year.

During the meetings conflict of interest is declared and recorded in all committees and full Board meetings, the declaration of which is embedded in the Agenda items. A conflict of interest book is signed by each Board member declaring any existing conflict or lack of the same at all meetings.

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The College Board and Committee meetings held within the Financial Year 2023-2024 were as follows:

**Board Attendance for the year 2023/2024**

<b>MEMBER</b>	<b>ROLE</b>	<b>ATTENDANCE</b>
Prof. Basil Iro Ong'or	Chairperson	4/4
Mr. John Wamae	Member	4/4
Mrs. Risper Odhiambo	Board Secretary/Principal	4/4
CPA Phoebe Musau	Member	4/4
Ms. Janet Kwamboka	Member	4/4
Eng. Bovince Ochieng	Member	4/4
Ms. Judith Auma Okal	Member	4/4
Eng. Julius Nyarotho	Member	4/4
Mr. Paul Okumu	Member	3/4
Eng. Kunal Mehta	Member	3/4

**Committee meetings**

There are three standing Committees of the Board, each with its own written terms of reference.

**Audit and Risk Committee**

The Audit and Risk Compliance Committee has four members namely: CPA phoebe Musau who is the Chair, Eng. Julius Nyarotho, Mr. Paul Okumu and the Internal Auditor. Its Primary responsibilities include reviewing measures put in place to mitigate risks, financial and other reports, defining the scope of audit department, ensuring the independence of the internal Auditor and reviewing their terms of engagement. The Audit Committee normally holds at least four (4) formal meetings in each year.

**Audit and Risk Compliance Committee Attendance, 2023/2024**

<b>MEMBER</b>	<b>ROLE</b>	<b>ATTENDANCE</b>
CPA Phoebe Musau	Chairperson	4/4
Eng. Julius Nyarotho	Member	4/4
Mr. Paul Okumu	Member	4/4
Internal Auditor	Secretary	4/4

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**Administration, Finance, Infrastructure and Human Resource Management Committee (AFIRM)**

The Committee comprises Ms. Judith Okal who is the Chairperson, Mr. Paul Okumu, Eng. Bovince Ochieng, Eng. Kunal Mehta, Janet Kwamboka and John Wamae

The Committee is tasked with the responsibility of reviewing finance policies, reports, financial statements, Budgets and making recommendations to the Board. The Committee also reviews strategies and policies in matters relating to recruitment, selection, training, motivation, development, discipline and retention of staff. It also deals with infrastructure development. The committee makes recommendation to the Board. The Committee normally holds at least four (4) formal meetings in each year and as may be necessary.

**Administration, Finance, Infrastructure and Resource Management (AFIRM) Committee Attendance, 2023/2024**

<b>MEMBER</b>	<b>ROLE</b>	<b>ATTENDANCE</b>
Ms. Judith Auma Okal	Chairperson	4/4
Eng. Kunal Mehta	Member	4/4
Mr. John Wamae	Member	4/4
Ms. Janet Kwamboka	Member	4/4
Mr. Bovince Ochieng	Member	4/4
Mrs. Risper D. A. Odhiambo	Secretary/Senior Principal	4/4

**Education, Research, Innovation and Training Committee (ERIT)**

The Committee Comprises of Ms Janet Kwamboka who is the Chairperson, Eng. Bovince Ochieng, Mr. John Wamae CD TVET and Ms. Judith Okal.

The Committee is tasked with the responsibility of Monitoring and overseeing institutional excellence in teaching, training, scholarship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, submitting regular reports to the Board on all matters related to education, training and research and Innovation. The Committee normally holds at least four (4) formal meetings in each year.

**Education, Research, Innovation and Training Committee Attendance (ERIT) Attendance, 2023/2024**

<b>MEMBER</b>	<b>ROLE</b>	<b>ATTENDANCE</b>
Ms. Janet Kwamboka	Chairperson	4/4
Ms. Judith Auma Okal	Member	4/4
Eng. Bovince Ochieng	Member	4/4
Mr. John Wamae	Member	4/4
Mrs. Risper D. A. Odhiambo	Secretary/Principal	4/4

### **Succession Plan**

NTVC Board has a succession strategy that involve staggering tenure of Board members for continuity as a way of knowledge management and institutional memory retention for continuity purposes of the Board. The newly appointed Board in August, 2022, was inaugurated and is currently in office carrying their mandate as Board of Governors.

### **Board and Member Performance**

NTVC Board is committed to performance management and has a feedback mechanism put in place to assess performance of individual Board members. The Board develops and publishes detailed work-plans with clear performance indicators and responsibility for their achievement. It does that taking into consideration the activities in the Plan. The Chairperson of Board and the committees are responsible for coordinating all the activities in the Plan. It is mandatory for all Board members; that it covers the Board as a whole, Committees, individual members, Chairperson and the Secretary who is the Senior Principal of the college.

The College Board also undertakes induction and continuous skills development to upskill the members to implement its work plan. The individual Board members undertake annual individual self-appraisal and the entire board undertakes governance audits. The overall goal of the Framework is to establish an integrated approach to boost performance and ultimately the productivity of the Board of the College.

### **Board Charter**

Whereas the TVET Act No. 29 of 2013 establishes Technical and Vocational Colleges Board, the very Act empowers the Board to be supreme organ of a TVC responsible for the overall administration of the objects of the functions of the TVC.

Nyakach TVC recognises that the practice of good governance and the execution of the Board's mandate requires the existence of a clear and well documented rules of procedures. Therefore, in this respect, the College as formulated and adopted the Board Charter to provide guidelines for the College Board in the performance of their functions and responsibilities. The charter in particular, provides a framework through which the College Board and her committees can properly conduct

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their affairs in fulfilment of their mandate. The Charter is cited as “Nyakach Technical and Vocational College Board charter”.

Nyakach TVC Board charter sets out the roles, responsibilities and rules of procedure of the College Board and her committees, specifically, the charter is designed to guide the:

- 1) Making of policies that govern the Board in fulfilling its mandate
- 2) Board in ensuring the effective and integrity of its processes in decision making
- 3) Facilitation of organised, efficient and cohesive functioning of the Board by having clear rules of procedures that guide Board processes.

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**9. Management Discussion and Analysis**

**9.1 Trainees Enrolment**

Nyakach TVC has not experienced a steady growth in trainee population as envisaged in our plan. There has been low enrolment especially in STEAM courses. However, the number of trainees has been increasing marginally for the last two years.

**Enrolment Data by Course**

Year	Artisan	Craft certificate	Diploma	Total
2023/2024	230	220	300	750
2022/2023	217	254	197	618

**Enrolment Data by Gender**

Year	Female	PWDs	Male	Total
2023/2024	284	0	466	750
2022/2023	247	0	371	618

**9.2 Employee Cost**

The college Employee costs decreased in the year under review, in comparison with the total budget requirements. The overall employee cost decreased from 26% to 15%, this was due the changes made by the college management in the terms of contract of BOG employees from one (1) year renewable contract to a three (3) months renewable contract. The decrease was also as a result recruitment and posting of additional PSC trainers who in turns replaced some of the BOG employed trainers.

Financial year	Employee costs	Total revenue	%
2022/2023	4,159,080.00	16,271,928.00	26%
2023/2024	<b>3,380,115.50</b>	22,546,416.85	15%

**Use of Goods and services**

Use of goods and services is the main academic expense. Expenditure on use of goods and services increased by 29.6%, from Ksh.8,078,198 in the financial year 2022/2023 to Kshs 10,471,626 in the financial year 2023/2024 this was due to increased enrolment. There were also increases in a wide range of vote heads. For example, the administration cost expense rose by 37%. From 196,025.00 in the financial year 2022/2023 to 242,784.00 in the financial year 2023/2024, also during the year under review teaching, learning materials and examination fees expense increased by 25% from Kshs 2,678,485 in the year 2022/2023 to Kshs 3,046,310 in the year 2023/2024.

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**Graduation**

Graduation did not take place during the year under review, but it is expected to be held in 2025 during which, approximately 150 trainees will receive their awards at the College's 1<sup>st</sup> graduation ceremony to be held in person and surrounded by family and friends. Graduation ceremony will be used to launch an alumnus. The graduation ceremony is the pinnacle of what the College achieves and it is inspiring and a marketing strategy to increase trainee recruitment.

**a). Operational and Financial Performance**

The college has had an operating deficit of Ksh. (2,309,535.33) in 2023/2024. Revenue generated by the college increased from 16,271,928 in the financial year 2022/2023 to 22,546,416 in the financial year 2023/2024 this represent a 39% increase. This includes the impact of slight increase of trainee enrolment, high uptake in HELB loan, new funding model(scholarship). The college also benefitted from sponsorship from SHOFCO, NGAAF and NGCDF bursaries.

**Revenues**

**Government Capitation**

Nyakach TVC being Government owned entity was allocated capitation to finance its operations in the year 2023/2024. Capitation is part of AIA.

Government funding in the FY 2023/2024 was insufficient to finance college activities. The college also received a development grant.

**The table below shows the revenue trend for the last two financial years.**

<b>Financial year</b>	<b>GoK Grant</b>	<b>AIA</b>	<b>Total</b>
2022/2023	2,500,000	13,771,928	16,271,928
2023/2024	1,900,000	20,646,416.85	22,546,416.85

**Financial Strategy**

The College has a well embedded and rigorous approach to its annual strategic and financial planning process with the overarching ambition of maximising the resource used to deliver our key strategic priorities and support trainee experience. This approach is integral to delivering our strategy and ensure financial sustainability in an increasingly uncertain operating environment. This has had to evolve in response to the Government changing policy on TVET funding model and to the budgeted shortfall in trainee enrolment. However, the overarching objective of prioritising available resources to deliver our strategic ambition remains at the centre of our process.

### **Key projects that the College is implementing**

During the financial year under review the College was implementing one key project in our Performance Contract:

- a) Construction of Building Workshop Complex phase one (1)  
The project is in the first stage of implementation; the design stage.

### **Compliance with Statutory Requirements**

During the year under review the College complied with other statutory deductions. The College has put in place arrangements to clear statutory deductions in time.

### **Major Potential Risks that the College may face**

- a) Political risks
- b) Economic risks such as inflation
- c) Insufficient funding due to inadequate exchequer allocation and low revenue collection especially due to low enrolment
- d) New government regulations such as the new funding model.
- e) Non-compliance with legal and statutory obligations due to lack of enough funds
- f) Inadequate infrastructure
- g) K.C.S.E results-K.U.C.C.P. S placed new trainees' admission for the year 2023/2024 academic year. Only 14 trainees reported and this translated to 10%

### **Material Areas in Statutory and Financial Obligations**

The College had paid all statutory deductions at the end of the year. However, there were arrears in salary payment to both BOG trainers and non-trainers due to insufficient funds as a result of unpredictable disbursement of capitation by government and low tuition fees payment by trainees. The pending bills at the close of 2023/2024 financial year stood at Ksh 2,507,982.73

The College has no active production units to generate funds internally to supplement its budgetary requirements.

### **Preparation of Financial Reports**

During the year under review, financial reports of Nyakach TVC was done using IPSAS Accrual basis with the treasury revised template dated 30 June 2023.

The college's annual financial reports include five basic financial statements:

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- 
- i. The Statement of Financial Performance
  - ii. the Statement of Financial position
  - iii. Statement of net assets (Equity)
  - iv. statement of cash flows
  - v. Statement of comparison of Budget and Actual Amount.

**Operation & Financial Performance as at 30 June, 2024**

<b>Details</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Revenue	22,546,416.85	16,271,928.00
Expenditures	<b>25,716,712.18</b>	21,267,999.60
<b>Deficit</b>	<b>(3,170,295.33)</b>	<b>(4,996,071.60)</b>

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

**10. Environmental and Sustainability Reporting Statement**

Nyakach TVC recognises environmental sustainability as the greatest challenge of the 21<sup>st</sup> century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. In this respect Nyakach NTVC is:

- a) Partnering with KEFRI in planting trees as greening and beautification TVET priority areas which contributes to environmental sustainability.
- b) Is committed to maintain a healthy environment. Nyakach TVC is carrying its operations with eco-friendly materials.
- c) Our activities include green initiatives in tree planting capacity building programmes; programmes aimed at restoring dignity to the community's environment and conservation measures.
- d) A green environment is what we advocate for and for that reason we support Green initiatives in tree planting as a government agenda. In 2023/2024 we participated in tree planting around the college where we planted more than 1000 tree seedlings.
- e) The college is partnering with a local CBO Integrated Action Oriented Women (INAO W) for purposes of tree planting program within the community.
- f) The College will train farmers on better farming methods that conserve resources and energy in all aspects of production.

**Sustainability Strategy and Profile**

Nyakach TVC is aware that environmental sustainability is one of the most important and urgent issues facing society. Large tertiary institutions like ours, with hundreds of trainees, staff and buildings; we have a significant part to play in facing the global challenges of climate change and biodiversity loss. The College takes this duty seriously and is committed in its strategic plan 2023–2028 to taking deliberate measures to reduce environmental degradation in our communities through community empowerment programs. All our competency Based Education and Training curricula are embedded with basic skills on Environmental literacy for trainees.

Our Environmental Sustainability Strategy identifies three priority areas in which we will take action through a range of programs and services. The Environmental Sustainability team is helping the College reach these goals and increase its positive impact on the world around us.

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The world is facing increasing environmental threats which are posing severe scientific, social and economic challenges to the human race. These challenges include: the depletion of natural resources, the loss of diversity and the need to develop new forms of energy generation whilst efficiently utilizing existing energy sources. Tackling these environmental problems and establishing a sustainable environment requires the adoption of appropriate policies and managerial strategies. Nyakach TVC is implementing policies that promote environmental conservation. We are promoting solar energy, energy saving stoves and we empower the community on environmental Sustainability and Green Technology which is designed to provide an interdisciplinary understanding of environmental challenges. We give opportunity to the trainees to acquire knowledge in several sustainability themes in courses related to energy generation, biological science, green information technology and project management.

We help departments to reduce their environmental impact through sustainable procurement, waste management schemes, and the efficient use of energy, water, and waste;

We continue to invest in energy efficiency technologies and we are planning to install solar photovoltaic panels around the College.

- All of our non-hazardous waste is either recycled or used to generate energy.

The College acknowledges the three pillars of sustainability: social, economic and environmental. The College takes on economic and social sustainability in areas such as access and participation. Our Strategy is focused on environmental sustainability, but the social and economic impacts of implementing it will also be taken into consideration.

### **Environmental performance**

Nyakach TVC has a policy on environmental management guiding all our efforts on environmental management. The policy has enabled the institution to carry out environmental audits and take actions such as tree planting to act as wind breakers to the college complex, creation of awareness of the Waste management to reduce environmental pollution and destruction

### **Employee Welfare**

Nyakach TVC has Human Resource Policies and Procedure Manual; a document that provides human resource policies and steps to actualise the human resource policies outlined therein. The Manual governs the relationship of the College with its workers without discrimination; it supports the overall objectives of the institution. It provides advance information and predictable decisions that are repetitive and widely occur throughout the institution.

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The college appreciates that human resource is key in the utilisation of all other resources and therefore key in the organisation of these resources to maximise productivity. It has therefore made it a concern and priority, the need to highly motivate staff so as to remain competitive and relevant. It is against this background that the college strives to pay employees' salaries in time.

**Career Guidelines**

The College's grading structure, qualifications and other requirements for recruitment in the College Service are laid down in the Career Guidelines/HR Manual. The Career Guidelines are followed in processing appointments and promotions of employees in their respective fields of employment.

**TRAINING AND DEVELOPMENT**

All newly appointed employees undergo induction training at the College and visit all the departments of the College during the first week of reporting for familiarisation.

The College carries out Training Needs Assessment. All training in the College for staff is based on comprehensive training Need assessment (TNA) conducted annually or as need arises. Aim is to identify performance gaps, determine their causes and recommend the appropriate intervention. To identify the training needs of individual employees that impact on their performance, the immediate supervisor holds regular discussion with the employee. To adequately address the performance gap, training objectives are aligned to the College's strategic plan, objectives, goals and the Performance Appraisal System (PAS). The identified training needs are prioritized and training plans developed and implemented.

**CODE OF CONDUCT**

The College has PSC general rules of conduct observed by staff so as to maintain integrity and uphold the dignity of the public office to which he/she has been appointed. Every staff occupies a special position in the College and are required ensure that their conduct both in public and in private life does not bring the College into disrepute.

The College has regulations governing discipline at the College and the procedure to be followed in cases of breach of discipline are contained in that manual.

**HEALTH AND SAFETY**

The Board of Nyakach TVC recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, the Board has developed and implements policies and programmes that ensure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws and relevant Nyakach TVC policies.

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Nyakach TVC recognizes that, in addition to offering pay benefits, and a healthy working environment to employees, their emotional and social needs should also be catered for as they discharge their duties.

The College has policy that addresses the various social and health challenges confronting employees in the workplace.

- i. The College has HIV/AIDs Policy that recognises HIV/AIDS as a Workplace Issue. Non-Discrimination.
- ii. Counselling Services
- iii. Drug and Substance Abuse counselling and Drug use prohibition
- iv. Work environment- Management has ensured maintenance of a smoke-free working environment. Accordingly, no person is permitted to smoke any tobacco or tobacco products while on the College's premises.
- v. Each employee is duty-bound to maintain a clean and healthy working environment
- vi. Medical Attention - On first appointment, an employee is required to undergo a thorough medical examination for purpose of health records. They are then registered for NHIF.

**Pension Scheme**

The College registers all Board employees with the NSSF pension scheme under the custodian of trustees where the Employer and Employee make contributions as per the Retirement Benefits Act, 1997.

**Market place practices**

The College management embraces best practices in all the operations and activities of the college. The college has service delivery charter at the entrance to the college and the entrance to the Principal's office. The service charter provides information on services delivery timelines and cost to the public and our staff. The management has also ensured that the staffs deal responsibly, openly and fairly with clients and partners/stakeholders by:

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

Viii Ensuring delivery of affordable, accessible quality education.

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

The College also has mechanisms such as monitoring whether trainers and trainees attend classes, and receives feedback from trainees on service delivery through teaching feedback evaluation Form administered by HODs to trainees. The purpose is to ensure that trainees get quality service delivery and value for their money.

### **NTVC Marketing Strategy**

Nyakach TVC has adopted various competitive strategies to remain competitive in the market. The aim is to increase trainee recruitment. These strategies are product differentiation, cost leadership, customer focus, use of internet/social media to market our programmes, online application, quality and competent trainees and timely release of results, strategic alliances, product development such as introduction of new CBET courses and market development, and collaboration with other college in certain relevant areas.

However, the college faces various challenges in the market. These are: regulatory requirements for admission in certain courses, maintaining reasonably low fees, competition arising from National Polytechnics and TVCs offering similar courses, high fee default rate among trainees, huge financial requirement to establish and run the college academic programs, increased competition from universities that have TVET Institutions, staff turnover, limitation of courses, lack of enough space, trainees inability to differentiate a College's courses from those offered by other TVCs, change in market needs, regulation by the government, competition from well-established Colleges in the neighbourhoods and lack of trainee funding by HELB in some courses.

### **Corporate Social Responsibility / Community Engagements**

Nyakach TVC was founded for public benefit, to promote vocational and technical education and to provide a vocational and technical institution open for all, irrespective of social economic status, creed or political belief. It is government institution established to make vocational education available to women, youths, the less fortunate in society and those unable to pursue university education. The College firmly stands on values of giving back to society and seeks to replicate this commitment to the academic enterprise and to wider society through all its operations and activities. The College endeavours to conduct business in accordance with the principles of selflessness, integrity, professionalism, accountability and equity.

Nyakach Corporate Social Responsibility is centred on three pillars:

- ❖ People and community
- ❖ Environmental sustainability

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❖ Finance and economic activity

**People and Community**

The College is an employer. Nyakach TVC is committed to being a good employer, and to contribute positively to the local community, the education sector in Kenya and to global community. As an employer the College is committed to ensuring that all staff members are fully supported in their work, have a decent working environment, and are fairly rewarded. The college also encourages and supports staff to engage in activities which benefit the wider community.

In order to achieve this, the College commits to:

- Embedding quality and diversity into all operations
- Allowing staff time for civic and public duties.
- Ensuring staff can achieve their full potential through training, mentoring, and other staff development activities.

**Local Community**

Nyakach TVC is a major tenant and employer in the local community with considerable economic impact in neighbourhoods. It opens up events and facilities to the public and participates in specific community engagement projects.

In support of the local community, Nyakach TVC through research and outreach program is to undertaken free training to the farmers on the following:

- Training farmers on poultry keeping techniques
- Enhancing farmers' knowledge and skills on how to generate more farm produce from their small-scale farms.

**Freedom of Expression**

As an academic institution, the College encourages debate and discussion freely and democratic ideas where this does not threaten the health and safety of staff, trainees or visitors, and does not infringe upon others rights to freedom of expression and association.

**11. REPORT OF THE BOARD OF GOVERNORS**

The Board members hereby submit their annual report together with the audited financial statements of Nyakach TVC for the year ended 30<sup>th</sup> June, 2024 which disclose the state of financial affairs of the College.

**Principal Activities**

Nyakach TVC is a technical and vocational training college. The principal activities of the college continue to be provision of education and training in vocational and technical skills, research and innovation and engaging in income generating activities for supplementing training costs purposes.

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**College Financial Results**

The results of Nyakach TVC for the year ended 30<sup>th</sup> June 2024 was Kshs 22,546,416.85 being the college revenue before expenses. The total expenses for the period were Kshs 25,716,712.18 resulting to a deficit for the period of Kshs (3,170,295.33)


**Board of Governors**

The Board members who served on the board during the year and up to the date of approval of these financial statements are listed on page on xi

**Auditors**

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

By Order of the Board

  
.....  
Secretary

Date: 09/05/2025

**12. Statement of Board of Governors' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, as well as section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013, require the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Nyakach TVC and the college's operating results for that year. It also requires the board to ensure that the College keeps proper accounting records which discloses with reasonable accuracy at any time the financial position of the College. They are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Public Finance Management Act, and for such internal controls as board members determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2024**


The Board members accept responsibility for the Annual Financial Statements which have been prepared using appropriate accounting policies supported by reasonable prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner provided by the Public Finance Management Act of 2012, and the TVET Act No. 29 of 2013. The Board members are of the opinion that, the financial statements give a true and fair view of the state of the financial affairs of the College and the College's operating results for the financial year ended 30<sup>th</sup> June 2024, and the college's financial position as at that date. The Board members further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as for the maintenance of internal financial controls.


The Board members further confirm the completeness of the accounting records maintained in the College, which have been relied upon in the preparation of the Nyakach TVC financial statements as well as the adequacy of the operating systems of internal financial controls.

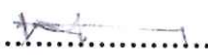
The College Board members wish to state that for the college to remain a going concern it will continue relying on Government and Creditors support and other stakeholders. The Board members are therefore of the view that the College will remain a going concern for at least the next twelve months from the date of this report.

**Approval of the financial statements**

The Nyakach TVC financial statements were approved by the Board on 27<sup>th</sup> September 2024 and signed on its behalf by:

  
.....  
Prof. Basil Iro Ong'or, PhD  
**Chairperson of the Board**

  
.....  
Risper D. Odhiambo  
**Snr Principal**

  
.....  
CPA Wyclife Otieno  
**Finance Officer**  
**(ICPAK NO.30692)**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON NYAKACH TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING**

### **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 Nyakach Technical and Vocational College set out on pages 1 to 35, which comprise the statement of financial

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*Report of the Auditor-General on Nyakach Technical and Vocational College for the year ended 30 June, 2024 – State Department for Technical and Vocational Education and Training*

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Nyakach Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with, the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

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

Review of annual report and the financial statements revealed variances between the amounts reflected in the statement of financial performance and statement of financial position with the ledgers and supporting documents as indicated below:

- i. The statement of financial performance and reflects an amount of Kshs.10,722,671 relating to use of goods and services, which as disclosed in Note 10 to the financial statements includes an amount of Kshs.3,762,703 in respect of admin expense. However, the ledger provided for audit reflected an amount of Kshs.4,084,023, resulting to an unexplained and unreconciled variance of Kshs.321,320.
- ii. Further, the statement of financial position and as disclosed in Note 20 reflects property, plant and equipment balance of Kshs.73,751,030. Included in this amount are buildings and furniture & fittings valued at Kshs.53,742,345 and Kshs.2,771,250 respectively which varies with the ledger balances of Kshs.52,742,345 and Kshs.3,049,375 respectively, resulting to unexplained variances of Kshs.1,000,000 and Kshs.278,125 respectively.

In the circumstances, the accuracy and validity of the balances reflected in the financial statements could not be confirmed.

### **2. Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,891,357 as disclosed in Note 17 to the financial statements. Review of records

provided for review in respect to the bank balances revealed the following anomalies:

- i. The statement of financial position reflects an amount of Kshs.1,486,072, while the board of survey report reflected an amount of Kshs.2,481,207 resulting to unexplained variance of Kshs.995,135 between the two sets of records. Further, recasting of the board of survey report resulted to a total of Kshs.1,248,040 resulting to an unexplained and unreconciled variance of Kshs.1,233,167.

The statement of cash flows reflects an amount of Kshs.3,879,961, while the statement of financial position reflects an amount of Kshs.1,486,072. The statement of cash flows is inaccurate.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,486,072 could not be confirmed.

### **3. Unsupported Statement of Changes in Net Assets**

The statement of changes in net assets reflects balances of Kshs.4,540,325 and kshs.86,310,469 in respect of revaluation gain and revaluation reserve transferred to capital fund respectively. However, these balances have not been explained or reconciled nor supported by any records.

In the circumstances, accuracy and completeness of the statement of changes in net assets could not be confirmed.

### **4. Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivables from exchange transactions balance of Kshs.11,727,548. However, Management did not provide debtors' aging analysis in support of the receivables for audit review. This was contrary to Section 68(2) (b) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a national government entity shall ensure that the entity keeps financial and accounting records that comply with this Act. Further, the College lacked students' debtors' policy to ensure collection of the outstanding student debt.

In the circumstances, accuracy and completeness of the receivables from exchange transactions balance of Kshs.11,727,548 could not be confirmed.

### **5. Unsupported and Long Outstanding Payables**

The statement of financial position and as disclosed in Note 21 to the financial statements reflects trade and another payables balance of Kshs.2,340,302. However, Management did not provide an aging analysis of the trade payables and there was no evidence of reconciliation of the suppliers' accounts. Further, no explanation was provided for the non-

payment. Failure to clear the bills was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that debt service payments shall be a first charge in the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

In the circumstances, the accuracy and completeness of trade and other payables could not be confirmed.

## **6. Unsupported Rendering of Services-Fees from Trainees**

The statement of financial performance reflects an amount of Kshs.14,426,690 in respect of rendering of services-fees from trainees and as disclosed in Note 7 to the financial statements. However, these fees were not supported with schedules and other relevant records such as receipts, fees registers and bank statements. Further, review of records on student enrollment and invoicing revealed that during the year under review, five hundred and eighty-five students (585) composing of old and new students were registered and invoiced. However, re-computation of the revenue using the applicable and approved fees structures revealed that the College earned Kshs.33,457,938 resulting to understatement of revenue by Kshs.23,712,267. This was contrary to IPSAS 1.27 which states that financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS.

In the circumstances, the completeness and accuracy of rendering of services – fees from trainees of Kshs.14,426,690 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nyakach 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 receipts budget and actual amounts on a comparable basis of Kshs.40,640,516 and Kshs.22,534,296 respectively resulting to an under-funding and under-collection of Kshs.18,106,219 or 45% of the budget. Similarly, the Institute spent Kshs.20,227,921 against a final budget

of Kshs.63,140,516 resulting to under-expenditure of Kshs.42,912,595 or 68% of the budget. Further, review of the statement of comparative budget and actual amounts does not have explanatory notes disclosing reasons for material differences between the budgeted and actual figures as prescribed by the IPSAS 24.14. The under-funding and under-expenditure affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.

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 ii to xl which comprise of Key Entity Information and Management, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governor's 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.

## **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 effects of 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. Land without Legal Ownership Documents**

Note 20 to the financial statements reflects a balance of Kshs.100,129,357 in respect of cost of property, plant and equipment which includes land of Kshs.7,500,000. However, although the Management has made efforts to engage relevant institutions, the ownership, size and the actual value of the land could not be confirmed due to lack of title deed(s), lease title(s) and/or allotment letters. This was contrary to Regulation 139(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

In the circumstances, the ownership and security of the land could not be confirmed.

### **2. Irregular Procurement of Security Services**

The statement of financial performance and as disclosed in Note 15 to the financial statements reflect an amount of Kshs.750,000 incurred on contracted services. Review of the procurement documents revealed that the contract was awarded to a security firm vide contract dated 31 July, 2023. However, the following anomalies were noted:

- i. Management recommended and awarded the second highest bidder at Kshs.600,000 per annum against the lowest bid of Kshs.576,000 per annum. Management has not justified reason for not awarding the contract to the lowest evaluated bidder contrary to Regulations 125(14) of the Public Procurement and Asset Disposal Regulations, 2020 which states that subject to any negotiations that may need to be held, the bidder who has submitted the lowest financial bid and meets minimum technical score shall be recommended for the award of contract.
- ii. The evaluation committee set out experience in similar institution criterion as the basis for evaluation. However, although the winning bid was non-responsive to this criterion as per the Minutes of 17 July, 2023, the bidder proceeded to financial evaluation.
- iii. Further, notification to unsuccessful bidders sent attributed the unsuccessful bid to high pricing without disclosing the price quoted by the successful bidder.

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

### **3. Non-Compliance with Affirmative Action on Gender, Ethnicity and Regional Distribution**

Review of the payroll records for the month of June, 2024 revealed that the Institute had a workforce of forty-four (44) officers, out of whom forty (40) or 91% were members of the dominant community. This was contrary to Section 7(1) and (2) of the National Cohesion

and Integration Act, 2008 that requires public establishment to seek to represent the diversity of the people of Kenya in employment of staff.

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

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 effect of 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. Weaknesses Revenue System

The statement of financial performance reflects an amount of Kshs.14,426,690 in respect of revenue from exchange transactions and as disclosed in Note 7 to the financial statements. Review of the internal controls governing collection, banking and reporting of the fees from students revealed the following anomalies;

- i. Receipt books and cashbook for the period between July 2023 and September 2023 revealed that direct banking of Kshs.570,010 were not receipted. Further the direct deposits could not be traced in the bank reconciliation statements for the respective months as reconciling items.
- ii. Bursaries and scholarship totaling Kshs.182,000 were not supported with schedules of the beneficiaries, acknowledgements and fee statement of the beneficiaries.
- iii. In addition, review of students' deposits revealed receipts in the cash book not recorded in the bank statements totaling to Kshs.164,420. No explanation was provided for the failure to bank and/or record the receipts.

In the circumstances, it was not possible to confirm existence of effective internal controls to ensure collection and recording of students' deposits.

## **2. Lack of an Integrated ERP System**

Review of financial and operational systems revealed that the College is operating manually for all its functions contrary to Section 68(2)(c) of the Public Finance Management Act, 2012 which requires an Accounting Officer to ensure that all financial and accounting records the entity keeps in any form, including in electronic form are adequately protected and backed up. The use of a manual system requires manual calculation and constant monthly and/or annual updates of the data manually which is prone to error or manipulations. The Management did not provide a justification of maintaining a manual system and demonstrate mechanisms put in place to protect financial data integrity.

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

## **3. Ineffective Internal Audit Function**

Review of the institution's internal controls revealed that there were no reliable internal audit reviews carried out. Although Management explained that there was an arrangement with the Ramogi Institute of Advanced Technology, the audits carried out were inadequate as per the approved annual work plan with only one quarterly assessment conducted. This was contrary to Section 73(3)(b) of the Public Finance Management Act, 2012 which requires that the Internal Auditor shall conduct internal auditing which includes risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

Further, review of the risk processes within the College revealed that Management did not perform formal risk assessments on all key financial risk areas such as revenue, expenditure and cash contrary to Regulation 165 (1) of the Public Finance Management (National government) Regulations, 2015. In the absence of a proper functioning internal audit unit and it is evident that monitoring and review of the effectiveness of the internal audit processes, review of internal controls, risk management systems and financial statements among other functions did not occur which may have affected good corporate governance of the Institution.

In the circumstances, the effectiveness of the College's internal controls 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 those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gatungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**15 May, 2025**

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**14. Statement of Financial Performance for the Year Ended 30 June 2024**

	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from National Government entities	6	19,825,154.34	8,629,000.00
		<b>19,825,154.34</b>	<b>8,629,000.00</b>
Miscellaneous income	8		<b>789,898</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from trainees	7	14,426,690.85	6,837,030.00
Sale of goods	9	12,120.00	16,000.00
<b>Revenue from Exchange transactions</b>		<b>14,438,810.85</b>	<b>7,642,928.00</b>
<b>Total Revenue</b>		<b>34,263,965.19</b>	<b>16,271,928.00</b>
<b>Expenses</b>			
Use of goods and services	10	10,722,671.00	8,693,196.00
Employee costs	11	3,380,115.50	4,159,080.00
Board Expenses	12	2,263,436	1,652,123.00
Depreciation and amortization expense	13	5,341,232.00	4,820,393.00
Repairs and maintenance	14	4,149,162.82	1,175,995.00
Contracted services	15	750,000.00	624,000.00
Bank charges	16	4,235.00	
<b>Total Expenses</b>		<b>26,610,852.32</b>	<b>21,124,687.00</b>
<b>Net surplus/(deficit) for the year</b>		<b>7,653,112.87</b>	<b>(4,852,759.00)</b>

The Financial Statements set out on pages 1 to 7 were signed by:

  
 .....  
**Prof Basil Iro Ong'or**

**Chairman of Board**


Date 09/05/2025

  
 .....  
**CPA Wyclife Otieno**

**Finance Officer**

**ICPAK No: 30692**

Date 09/05/2025

  
 .....  
**Risper D.A. Odhiambo**  
 (Mrs.)  
**Senior Principal**




Date 09/05/2025

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2024**

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

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	1,486,072.00	3,122,178.00
Current portion of receivables from exchange transactions	18	11,717,548.90	6,476,430.00
Inventories	19	195,330.00	1,050,968.00
<b>Total Current Assets</b>		<b>13,398,950.90</b>	<b>10,649,576.00</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	20(a)	73,751,030.00	77,481,734.00
Intangible assets	20(b)	1,576,650.00	39,000.00
<b>Total Non-Current Assets</b>		<b>75,327,680.00</b>	<b>77,937,262.00</b>
<b>Total Assets</b>		<b>88,726,630.90</b>	<b>88,587,414.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	21	2,340,302.00	2,317,739.00
Payments in advance	22	1,815,830.95	200,910.00
<b>Total Liabilities</b>		<b>4,156,132.95</b>	<b>2,518,649.00</b>
<b>Net Assets</b>		<b>84,570,497.95</b>	<b>86,068,765.00</b>
<b>Represented By</b>			
<b>Revaluation Reserve</b>		<b>(4,540,325.00)</b>	
Accumulated Surplus		2,800,353.87	(4,852,759.00)
Capital fund		86,310,469.00	86,888,189.40
<b>Net Assets</b>		<b>84,570,497.87</b>	<b>86,068,765.00</b>

The Financial Statements set out on pages 1 to 7 were signed by:

		
.....	.....	.....
<b>Prof Basil Iro Ong'or</b>	<b>CPA Wyclife Otieno</b>	<b>Risper D.A Odhiambo (Mrs)</b>
<b>Chairman of Council/Board</b>	<b>Finance Officer</b>	<b>Senior Principal</b>
	<b>ICPAK No: 30692</b>	
<b>Date</b> 09/05/2025	<b>Date</b> 09/05/2025	<b>Date</b> 09/05/2025

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2021</b>	<b>93,184,632.00</b>	<b>3,386,672.00</b>	<b>1,336,680.00</b>	<b>98,510,951.00</b>
Revaluation	(3,495,431.00)	-	-	(3,495,431.00)
Surplus/(deficit) for the year	-	(4,024,908.00)	-	(4,024,908.00)
Capital grants received during the year	-	-	893,640.00	893,640.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2022</b>	<b>89,689,201.00</b>	<b>(1600,964.00)</b>	<b>2,833,287.00</b>	<b>90,921,524.00</b>
<b>At July 1, 2022</b>	<b>89,689,201.00</b>	<b>(1600,964.00)</b>	<b>2,833,287.00</b>	<b>90,921,524.00</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(4,852,759.00)	-	(4,996,071.60)
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
<b>At June 30, 2023</b>	<b>89,689,201</b>	<b>(4,852,759.00)</b>	<b>2,833,287.00</b>	<b>86,068,765.00</b>
<b>At July 1<sup>st</sup> 2023</b>	<b>89,689,201</b>	<b>(4,852,759.00)</b>	<b>2,833,287.00</b>	<b>86,068,765.00</b>
Revaluation gain	(4,540,325.00)	-	-	-
Revaluation reserve transferred to capital fund	(89,689,201.00)	-	89,689,201	0.00
Surplus/(deficit) for the year	-	7,653,112.87	-	7,653,112.87
Capital grants received during the year	-	-	1,962,500.00	1,962,500.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(5,341,232.00)	(5,341,232.00)
<b>AS AT JUNE 30<sup>TH</sup> 2024</b>	<b>(4,540,325.00)</b>	<b>2,800,353.87</b>	<b>86,310,469.00</b>	<b>84,570,497.87</b>

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	12,788,625.00	8,629,000.00
Miscellaneous income	8		789,898.00
Rendering of services- fees from trainees	7	9,745,671.85	6,837,030.00
Sale of goods	9	12,120.00	16,000
<b>Total Receipts</b>		<b>22,546,416.85</b>	<b>16,271,928</b>
<b>Payments</b>			
Use of goods and services	10	10,000,077.00	8,078,198.00
Employee costs	11	3,381,765.50	4,159,080.00
Board Expenses	12	2,309,632.00	2,267,021.00
Repairs and maintenance	14	3,680,446.82	1,175,995.00
Contracted services		697,500.00	624,000.00
<b>Total Payments</b>		<b>20,069,421.32</b>	<b>16,304,294.00</b>
<b>Net Cash Flows from operating activities</b>		<b>2,476,995.53</b>	<b>(32,366.00)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	20a	3,031,200	(158,500)
<b>Net cash flows used in investing activities</b>		<b>(3,031,200)</b>	<b>(158,500)</b>
<b>Changes in current assets/liabilities</b>			
Receivables from exchange transactions	18	(3,526,372.95)	(441,473.00)
Trade payables from exchange transactions	21	214,034.00	2,215,295.00
Increase in Inventories	19	(139,554.00)	(139,554.00)
<b>Net changes in working capital</b>		<b>3,879,960.75</b>	<b>1,634,268.00</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>848,760.75</b>	<b>1,443,402.00</b>
Cash and Cash equivalents at 1 JULY	17	1,678,776	1,678,776
<b>Cash and Cash equivalents at 30 JUNE</b>	17	<b>2,481,207.75</b>	<b>3,122,178.00</b>

*(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)*

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference
			Budget			
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	22,500,000.00	-	22,500,000.00	12,788,625	(9,711,375.00)	(43%)
Rendering of services- fees from trainees	18,140,516.00	-	18,140,516.00	9,745,671.85	(8,394,844.15)	(46%)
<b>Total Income</b>	<b>40,640,516.00</b>	<b>-</b>	<b>40,640,516.00</b>	22,546,416.85	<b>(18,106,219.15)</b>	
<b>Expenses</b>						
Use of goods and services	25,712,099.00	-	25,712,099.00	10,000,077.00	(15,712,022.00)	(61%)
Employee costs	5,800,085	-	5,800,085	3,381,765.50	(2,418,319.50)	(42%)
Board Expenses	2,500,000.00	-	2,500,000.00	2,309,632.00	(190,368.00)	(8%)
Repairs and maintenance	5,878,332.00	-	5,878,332.00	3,680,446.82	(2,197,885.18)	(37%)
Contracted services	750,000	-	750,000.00	697,500.00	(52,500.00)	(7%)
Capital Expenditure	22,500,000.00	-	22,500,000.00	158,500.00	(158,500.00)	
<b>Total Expenditure</b>	<b>63,140,516.00</b>		<b>63,140,516.00</b>	<b>20,227,921.32</b>	<b>(20,729,594.68)</b>	<b>(51%)</b>
<b>Surplus for the Period</b>				<b>2,318,495.53</b>	<b>(38,835,813.83)</b>	

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Under performance in revenue was attributed to partial disbursement from National Government which had a ripple on expenditure thus affecting the entire budget implement action ie ksh.12,788,625.00 disbursed instead of the expected ksh.22,5000,000.00

**(BUDGET NOTES)**

*1. The treasury disbursed Kshs 12,788,625 to the institution, out of the budgeted amount of Kshs, 22,500,000*

*This means that the institution received Kshs 9,711,375 less than the budgetary allocation during the fiscal period 2023/2024 FY under review.*

*2 The increase deviation from budgeted tuition fee (A in A) is as a result of the projected trainee enrolment that was never achieved*

*3. The Treasury development grant was received for the financial period under review*

*4. Use of goods and services increased because during the period under review we had examinations in March, July and November series*

**19. Notes to the Financial Statements**

**1. General Information**

Nyakach Technical and Vocational College is established by and derives its authority and accountability from Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and the Technical and Vocational Education and Training Act, 2013 Act*). Nyakach TVC is wholly owned by the Government of Kenya and is domiciled in Kenya.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Nyakach TVC* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Nyakach TVC*. 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, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.**

<b>Standard</b>	<b>Effective date and impact:</b>
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b>                      The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.                      IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b>                      The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ol>

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<b>Standard</b>	<b>Effective date and impact:</b>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
Discontinued Operations	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.

**iii. Early adoption of standards**

Nyakach TVC did not early-adopt any new or amended standards in year 2023.

**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 Nyakach TVC 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 has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

Nyakach TVC 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.

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

**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.

During the financial year under review Nyakach TVC did not receive any rental income since there were no operating leases on investment properties.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board. 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 Nyakach TVC upon receiving the respective approvals to conclude the final budget. Accordingly, Nyakach TVC did not record additional appropriations of *the budget* on the FY 2023/2024. The *Nyakach TVC* 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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**c) Taxes**

***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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) 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 the period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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.

**e) Property, plant and equipment**

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

The college Depreciate its fixed assets on straight line basis using the following rates over useful lives computed on balances at the end of each quarter

Asset Category	Depreciation Rate
1. Building and workshop	2.5%
2. Property, Plant and Equipment	12.5%
3. Furniture and Fittings	12.5%
4. Motor Vehicles	25%
5. Computer and Electronic Equipment	30%
6. Software	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Gain and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are considered in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

**a) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for in on a prospective basis.

**Computer software**

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years.

**f) 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. Nyakach TVC 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 Nyakach TVC 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.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**g) 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.

**h) Research and development costs**

Nyakach TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Nyakach TVC can demonstrate:

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

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

**i) 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. *Nyakach TVC 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, Nyakach TVC measures a financial asset or financial liability at its fair value plus or minus, in

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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.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

***Financial assets***

***Classification***

Nyakach TVC 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 irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, Nyakach TVC 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

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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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

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 Nyakach TVC 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**

Nyakach TVC 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. Nyakach TVC 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***

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

**j) 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.

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

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

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

**k) Provisions**

Provisions are recognized when Nyakach TVC 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 Nyakach TVC 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***

Nyakach TVC 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***

Nyakach TVC 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 Nyakach TVC 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.

**l) Social Benefits**

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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. Nyakach TVC recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Nyakach TVC will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

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

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

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

**o) Related parties**

Nyakach TVC 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.

**p) Service concession arrangements**

Nyakach technical and vocational college analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Nyakach TVC 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, Nyakach TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**q) Cash and cash equivalents**

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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.

**r) Comparative figures**

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

**s) Subsequent events**

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

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

The preparation of the *Nyakach TVC'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. Nyakach TVC 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:

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- The condition of the asset based on the assessment of experts employed by the *Nyakach TVC*.
- 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. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

**Notes to the Financial Statements (Continued)**

**6. Transfers from other National Government entities**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	7,583,925	6,129,000.00
Operational Grant	3,242,200	-
<b>Total unconditional Grants</b>	<b>10,826,125</b>	<b>6,129,000.00</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Administration Block Grant	1,962,500	2,500,000.00
<b>Total Government Grants and Subsidies</b>	<b>12,788,625</b>	<b>8,629,000.00</b>
<b>Fees Receivable from Capitation</b>	<b>7,036,529.34</b>	
<b>Total revenue from non-exchange transactions</b>	<b>19,825,154.34</b>	<b>8,629,000.00</b>

**7. Rendering of Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Tuition Fees	2,876,134.37	2,361,560.00
Activity Fees	584,740.31	77,020.00
Industrial Attachment Fees	692,370.16	52,600.00
Examination Fees	779,653.75	494,200.00
Library Fees	-	52,300.00
Application	254,018.99	56,500.00

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Registration Fees	-	126,500.00
Administration	2,354,220.93	654,040.00
R.M.I	779,653.75	437,570.00
E.W.C	487,283.59	373,410.00
L.T&T	682,197.03	471,200.00
Medical	194,913.44	29,100.00
Personal Emoluments	2,961,850.78	1,242,900.00
Arrears	-	101,840.00
Development Fund	1,779,653.75	222,190.00
<b>Total Revenue from The Rendering of Services</b>	<b>14,426,690.85</b>	<b>6,837,030.00</b>

**Notes to the Financial Statements (Continued)**

**8. Miscellaneous income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Centre fee	-	18,000.00
Security income	-	7,000.00
Sale of tender	-	-
Safaricom (Student upkeep)	-	150,000.00
Training Income (Joint Board induction)	-	614,898
<b>Total other income</b>	<b>0</b>	<b>789,898.00</b>

**9. Sale of Goods**

Description	2023/2024	2022/2023
	Kshs	Kshs
Income generated from learning activities	12,120.00	16,000.00
<b>Total Revenue from Sale of Goods</b>	<b>12,120.00</b>	<b>16,000.00</b>

**10. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Teaching and learning materials	242,784.00	196,025.00
Industrial attachment costs	214,589.00	261,248.00
Electricity & Water	214,212.00	210,151.00
Bank charges		16,728
Registration	49,800.00	40,000.00

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
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Research	685,750.00	455,415.00
Performance Contracting		152,200.00
Trainee union	303,410.00	31,900.00
Travelling and accommodation	818,600.00	733,500.00
Activity	702,200.00	188,410.00
Examination	3,647,953.00	2,850,285.00
Admin expense	3,762,703.00	2,666,636.00
Training expenses	-	614,898.00
Hostel charges		140,700.00
Student Upkeep		135,000.00
Library	65,370.00	-
Medical	15,300.00	0
<b>Total use of goods and services</b>	<b>10,722,671.00</b>	<b>8,693,096.00</b>

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**Notes To the Financial Statements (Continued)**

**11. Employee Costs**

	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	2,770,501.00	3,472,140.00
NSSF Employer	186,880.00	223,740.00
NSSF Employee	186,880.00	223,740.00
NHIF	144,250.00	181,300.00
PAYE	4,394.50	37,110
NITA	12,450.00	21,050.00
Affordable housing levy	74,760.00	0
<b>Employee Costs</b>	<b>3,380,115.50</b>	<b>4,159,080.00</b>

**12. Board Expenses**

Description	2023/2024	2022/2023
	Kshs	Kshs
Sitting Allowances (Full Board Meeting& Committee)	1,315,000	1,087,000.00
Chairman's honoraria	180,000.00	-
Transport Allowances (Full Board Meeting& Committee)	148,800.00	210,000.00
30% P.A.Y.E Deduction on allowances	600,436.00	184,316.00
Meals for Board members during meetings	19,200.00	19,205.00
Board Induction		151,602.00
<b>Total</b>	<b>2,263,436.00</b>	<b>1,652,123.00</b>

**13. Depreciation and Amortization expense**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	4,809,182.00	4,820,393.00
Intangible assets	532,050.00	19,500.00
<b>Total depreciation and amortization</b>	<b>5,341,232.00</b>	<b>4,845,658.00</b>

**14. Repairs and Maintenance**

Description	2023/2024	
	Kshs	
Purchase of iron sheets	1,996,896.82	
Purchase of hardware materials	1,510,150.00	
Wheels for the Vehicles	75,200.00	93,000.00
Service of fire extinguisher	97,200.00	
Motor Vehicle repair	265,756.00	

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Purchase of shut up valve for generator	1,000.00	
Other Repair and renovations	202,960.00	
Office maintenance (furniture) curtaining & painting		560,710.00
Furniture and fittings		200,000.00
Computers and accessories		322,285.00
<b>Total Repairs and Maintenance</b>	<b>4,149,162.82</b>	<b>1,175,995.00</b>

**Notes to the Financial Statements (Continued)**

**15. Contracted Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Security	750,000.00	624,000.00
<b>Total contracted services</b>	<b>750,000.00</b>	<b>624,000.00</b>

**16. Bank Charges**

Description	2023/2024	2022/2023
	Kshs	Kshs
KCB	4,235.00	0
		<b>0</b>

**17. Detailed Analysis of Cash and Cash equivalents**

Financial Institution	2023/2024	2022/2023
	Kshs	Kshs
<b>a) Current Account</b>		
<b>Cash in Hand</b>	<b>71,617.00</b>	2,841.00
KCB A/C NO: 1263854613	162,068.00	3,113,925.00
KCB A/C NO: 1274942136	4,347.00	5,412.00
Cash at Bank development Acc	1,248,040.00	3,119,337.00
<b>Sub- Total</b>	<b>1,414,455.00</b>	<b>2,841.00</b>
<b>Grand Total</b>	<b>1,486,072.00</b>	<b>3,122,178.00</b>

**18. Receivables from Exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current receivables</b>		
Student debtors	11,717,548.90	6,476,430.00
Other debtors (non-exchange transactions)	10,000.00	0.00
<b>Total current receivables</b>	<b>11,727,548.90</b>	<b>6,476,430.00</b>

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**18 (B) Ageing Analysis of Receivables from Exchange transactions**

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,025,316.00	80%	6,476,430.00	94%
Between 1- 2 years	2,702,233.00	20%	417,104.00	6%
Between 2-3 years		%	-	%
Over 3 years		%	-	%
<b>Total (a+b)</b>	<b>11,727,548.90</b>	<b>%</b>	<b>6,893,534.00</b>	<b>%</b>

**19. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores	11,895.00	13,650.00
Stationery	183,435.00	229,870.00
Mechanical	-	12900.00
Electrical stores	-	25933.00
Building	-	424215.00
Activity	-	119400.00
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>195,330.00</b>	<b>1,050,968.00</b>



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**20. a) Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2022</b>	7,500,000	58,449,107.00	0	3,255,000	3,112,000	24,552,938	705,850	97,574,895
Additions	0	0	0	407,250	0	1,026,600	0	1,433,850
Disposals	0	0	0	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2023( Certificate)</b>	7,500,000	58,449,107.00	0	2,279,625.00	3,112,000	12,728,466	705,850	77,481,734
<b>At 1<sup>ST</sup> July 2023</b>	7,500,000	58,449,107.00	0	3,662,250	3,112,000	25,579,538	705,850	99,008,745
Additions	0	1,165,798.00	0	981,000	0	0	0	2,146,798
Disposals	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	(705,850.00)	(705,850.00)
<b>At 30<sup>th</sup> June 2024</b>	7,500,000	59,614,905	0	4,643,250.00	0	25,579,538	0	97,337,693
<b>Depreciation And Impairment</b>								0
<b>At 1<sup>st</sup> July 2022</b>	0	3,487,964	0	1,390,250	0	9,073,970	0	13,952,184
Depreciation	0	1,192,298	0	0	0	3,134,534	0	4,326,832
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
<b>At 30 June 2023</b>	0	4,680,262	0	1,390,250	0	12,208,504	0	18,279,016
<b>At 1<sup>st</sup> July 2023</b>	0	4,680,262	0	1,390,250	0	12,208,504	0	18,279,016
Depreciation	0	1,192,298	0	481,750.00	0	3,135,134	0	4,809,182
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> Jun 2024</b>	0	5,872,560	0	1,872,000.00	0	15,343,638	0	23,088,198
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> Jun 2023</b>	7,500,000	54,934,643.00	0	2,279,625.00	0	12,728,466	0	77,481,734
<b>At 30<sup>th</sup> Jun 2024</b>	7,500,000	53,742,345.00	0	2,771,250.00	0	9,737,434.50		73,751,030

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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	7,500,000		7,500,000
Buildings	59,614,905	5,872,560	53,742,344.52
Plant and Machinery	25,081,072.00	13,829,453.70	9,737,435.00
Motor Vehicles including Motorcycles	0	0	0.00
Computers and Related Equipment	0	0	0
Office Equipment, Furniture, And Fittings	4,858,000	1,953,750.00	2,554,250.00
<b>Total</b>	<b>100,129,357.00</b>	<b>25,197,596.06</b>	<b>73,534,030</b>

**Notes to the Financial Statements (Continued)**  
**20 b) Intangible Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	<b>39,000.00</b>	<b>58,500.00</b>
Additions	0	0
<b>At end of the year</b>	<b>39,000.00</b>	<b>58,500.00</b>
Additions—internal development	2,050,200.00	0
<b>At end of the year</b>	<b>2,089,200.00</b>	<b>58,500.00</b>
<b>Amortization</b>		
<b>At beginning of the year</b>	<b>19,500</b>	<b>0</b>
Amortization	532,050.00	19,500
<b>At end of the year</b>	<b>551,550.00</b>	<b>19,500</b>
<b>NBV</b>	<b>1,576,650.00</b>	<b>39,000.00</b>

**NYAKACH TECHNICAL AND VOCATIONAL COLLEGE**  
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**21. Trade and Other Payables**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	2,340,302		2,317,739.00	
<b>Total Trade and Other Payables</b>	<b>2,340,302</b>		<b>2,317,739.00</b>	
<b>Ageing analysis:</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>2022/2023</b>	<b>% of the Total</b>
Under one year	2,340,302	100%	2,317,739.00	100%
<b>Total (to tie to totals above)</b>	<b>2,340,302</b>		<b>2,317,739.00</b>	

**22. Payments in advance**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Payments in advance	1,815,830.95		200,910.00	
<b>Total payments in advance</b>	<b>1,815,830.95</b>		<b>200,910.00</b>	

**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**

Nyakach TVC 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:

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	6,893,534.00	6,476,430.00	417,104.00	0.00
Receivables from non-exchange transactions	0	0	0.00	0.00
Bank balances	3,119,337.00	3,119,337.00	0.00	0.00
<b>Total</b>	<b>8,063,327.00</b>	<b>5,343,682.00</b>	<b>2,671,877.00</b>	<b>0.00</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions	11,727,548.90	<b>9,595,767.00</b>	2,131,781.90	<b>0</b>
Receivables from non-exchange transactions	0			
Bank balances	162,068.25	162,068.25	0	0
<b>Total</b>	<b>11,889,617.15</b>	<b>9,757,835.25</b>	<b>2,131,781.90</b>	<b>0</b>

**Notes to the Financial Statements (Continued)**  
**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.

Nyakach TVC has significant concentration of credit risk on amounts due from debtors.

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. Nyakach TVC 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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade Payables	-	118,598.00	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>118,598.00</b>	<b>-</b>	<b>118,598.00</b>
<b>At 30 June 2023</b>				
Trade Payables	354,428.00	1,688,346.00	475,875.00	2,518,649.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>354,428.00</b>	<b>1,688,346.00</b>	<b>475,875.00</b>	<b>2,518,649.00</b>
<b>At 30 June 2024</b>				
Trade Payables	<b>420,302</b>	<b>1,645,254</b>	<b>274,746</b>	<b>2,340,302</b>
Provisions				
Deferred Income				
Employee Benefit Obligation				
<b>Total</b>	<b>420,302</b>	<b>1,645,254</b>	<b>274,746</b>	<b>2,340,302</b>

**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**(iii) Market risk**

Nyakach TVC has put in place an internal audit function to assist it in assessing the risk faced by Nyakach TVC 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**

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

Nyakach TVC has no transactions in foreign currency since most of our trainees pay fee in Kenyan shillings

**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.

***Sensitivity analysis***

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

**23. Related Party Balances**

**Nature of related party relationships**

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Entities and other parties related to Nyakach TVC 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.

**Notes to the Financial Statements (Continued)**

**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;

**24. Events after the Reporting Period**

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

**25. Ultimate and Holding Entity**

Nyakach Technical and Vocational College is TVET under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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**Name**  
**Senior Principal**  
**Nyakach TVC**  
**Date**