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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 FEB 2023	DAY: _____
TABLED BY:	HON. OWEN BATA, MP
OF THE TABLE:	DEPUTY LEADER OF MAJORITY
	CHRISTINE NDIRITU

REPORT

THE AUDITOR-GENERAL

ON

**KIBWEZI WEST TECHNICAL AND
VOCATIONAL COLLEGE**

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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



KIBWEZI WEST TECHNICAL
& VOCATIONAL COLLEGE
P.O Box 277-90138, MAKINDI
Date: 21/7/22



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE, 2021

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

2.	FINANCE OFFICER	MR. STEPHEN MUTUA
3.	AG.DEPUTY PRINCIPAL	MR. MWALIMU MUTHAMI
4.	AG.REGISTRAR	MR. JOSEPH GAE
5.	AG.DEAN OF STUDENTS	MR. ALEX JUMA
6.	H.O.D S REPRESENTATIVE	MS JUDY MUIRURI

(a) Fiduciary Oversight Arrangements

1. Budget and Procurement Committee of the BOG

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College estate.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the College's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the College's various departments.

2. Academic Committee Activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to KIBWEZI WEST TVC and determine their continuation or discontinuation in such programmes.
- e. To determine the Academic policy of KIBWEZI WEST TVC and to advise the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the training and instruction within the College subject to the powers of the Board.

3. Senior Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that KIBWEZI WEST TVC's Board of Governors is able to take strategic decisions relating to KIBWEZI WEST TVC's activities
- 2) Provide leadership in communicating KIBWEZI WEST TVC's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of KIBWEZI WEST TVC strategic, corporate and business plans in line with the mission and values(strategic plan formulation in progress)
- 4) Take a strategic overview of performance in all areas of KIBWEZI WEST TVC's activities. Specifically the Senior Management Team:

- 1) Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees to KIBWEZI WEST TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of KIBWEZI WEST TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- 6) Oversees and monitors KIBWEZI WEST TVC's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing KIBWEZI WEST TVC staff to deliver the highest standards of performance and customer service.

4. Audit Committee Activities

a. Governance Initiatives:

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

b. Risk Management:

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

c. Internal Control Framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

d. Audit Activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

e. Follow Up On Management Action Plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

f. Financial Statements And Public Accountability Reporting:

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

• Government Oversight Activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor General.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020.

(e) Entity Headquarters

KIBWEZI WEST TVC
P.O Box 277 – 90138
Makindu Town
Makueni County

(f) Entity Contacts

Mobile Phone Numbers:

- +254780484873
- +254768284046

E-mails: kibweziwesttvc@gmail.com,

Website: www.kibweziwesttvc.ac.ke

(g) Entity Bankers

- | |
|---|
| <p>1. KCB Bank Kenya Limited,
P. O. Box 269-90300</p> |
|---|

Wote –Branch

Account No : 1279788674

(h) Independent Auditors

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

(i) Principal Legal Adviser



The Attorney General
State Law Office
Harambee Avenue

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020.

P.O. Box 40112
City Square 00200
Nairobi, Kenya




KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

II. THE BOARD OF GOVERNORS

NO.	MEMBER/ DIRECTOR	DETAILS
1.	 MR. PETER MUTAVI	<p><u>Date of Birth</u> -1971</p> <p><u>Key Qualifications</u> Holds a Bachelor of science (Electrical & Electronics)</p> <p><u>Work experience- 5 years</u> Standard print manager-5yrs</p> <p>Responsibility. Overall management of the board activities</p> <p>Chairperson of the BOG.</p>
2.	 JOHN WAMAE	<p><u>Date of Birth</u> -1969</p> <p><u>Qualifications</u> Bachelor of Science, maths and computer Masters in applied statistics</p> <p><u>Work experience -16 years</u> Education sector- County director</p> <p>Responsibility. Represents permanent secretary</p>




KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

<p>3.</p>	 <p>BENSON K MBEKE</p>	<p><u>Date of Birth</u> -1965</p> <p><u>Qualifications</u> Master's in business administration</p> <p><u>Work experience -29 years</u> Deputy principal 2 ½ years PC regional coordinator (Rift valley) 9 years PC/ Strategic planning coordinator- 11 years HOD- 12 years DHOD- 8 years</p> <p>Responsibility. In charge of the overall management of the college. PRINCIPAL/ SECRETARY BOG</p>
<p>4.</p>	 <p>CORNELIA LIKU</p>	<p><u>Date of Birth</u> -1972</p> <p><u>Key Qualifications</u> Holds a Bachelor of Science , University of Lesotho.</p> <p><u>Work experience -22 Years</u> Lecturer -CUEA Head of Department.</p> <p>Responsibility. Member of the education committee</p>
<p>5.</p>	 <p>ANN KARIUKI</p>	<p><u>Date of Birth</u> -1967</p> <p><u>Key Qualifications</u> Bachelor of Technology(Electrical &Engineering Technology)</p> <p><u>Work experience – 5 Years</u> Cconsultant.</p> <p>Responsibility. Member of the risk and audit committee</p>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE




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

<p>6.</p>	 <p>BENARD OBUYA</p>	<p><u>Date of Birth</u> – 1990</p> <p><u>Key Qualifications</u> Bachelor of Engineering industrial Textile Engineering.</p> <p><u>Work experience – 5 Years</u> Mechanical Engineer.</p> <p>Responsibility. Member of the finance committee</p>
<p>7.</p>	 <p>DANISH RAYOLA</p>	<p><u>Date of Birth</u> – 1981</p> <p><u>Key Qualifications</u> Diploma in Law ,Kenya School of Law ,LLB(Hons),University of Nairobi Masters of laws LLM</p> <p><u>Work experience -5 YEARS</u> Kenya associate Sumba &Mbogo advocates</p> <p>Responsibility. Member of the risk and audit committee</p>
<p>8.</p>	 <p>AMOS KAVITA</p>	<p><u>Date of Birth</u> – 1987</p> <p><u>Key Qualifications</u> Bachelor of Electrical and Electronics engineering</p> <p><u>Work experience -10 years</u> Electrical Engineer- Kenya power</p> <p>Responsibility. Member of the finance and administration committee</p>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE



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

III. MANAGEMENT TEAM

NO	MEMBER/ DIRECTOR	<u>DETAILS</u>
1.	 <p align="center">BENSON K MBEKE</p>	<p><u>Date of Birth</u> -1965</p> <p><u>Qualifications</u> Master's in business administration</p> <p><u>Work experience -29 years</u> Deputy principal 2 ½ years PC regional coordinator (Rift valley) 9 years PC/ Strategic planning coordinator- 11 years HOD- 12 years DHOD- 8 years</p> <p><u>Responsibility.</u> In charge of the overall management of the college. PRINCIPAL/ SECRETARY BOG</p>
2.	 <p align="center">MWALIMU MUTHAMI</p>	<p><u>Date of Birth</u> - 17/09/1991</p> <p><u>Qualifications</u> Bsc electrical &electronics Engineering</p> <p><u>Work experience -1 year</u> Ag.Deputy Principal</p> <p><u>Responsibility.</u> <u>Ag deputy principal</u></p>
3. Joseph Gae	 <p align="center">JOSEPH GAE</p>	<p><u>Date of Birth</u> -1/12/1987</p> <p><u>Qualifications</u> Bachelor of business Computing</p> <p><u>Work experience -1 year</u> Ag. Registrar.</p> <p><u>Responsibility.</u> Ag registrar</p>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

4.	 ALEX JUMA	<p><u>Date of Birth</u> -05/02/1988</p> <p><u>Qualifications</u> Bachelor information technology.</p> <p><u>Work experience -5 years</u> Web design and system administrator</p> <p>Responsibility. Ag dean of students</p>
5. Stephen Mutua	 STEPHEN MUTUA	<p><u>Date of Birth</u>...1984</p> <p><u>Qualifications</u> CPA K ICPAK Registered</p> <p><u>Work experience-11yrs</u> Kiambani day and boarding primary school.</p> <p>Responsibility. <u>Finance officer</u></p>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

IV. CHAIRMAN'S STATEMENT

The office of the Chairperson of the board of governors of Kibwezi West Technical and Vocational college (KWTVC) has been active during the year under review in managing the affairs of the College. We reckon the existing challenges including the issues of inadequate learning facilities, fewer trainers and training resources. Despite all this, the College has been able to sustain a culture that associates technical training with modern life.


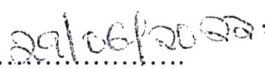
As a board, we have encouraged a change in the mindset of our people as we leveraged on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the College. Particularly we have collaborated with the Kibwezi west constituency of Makueni on various academic and economic ventures. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the College from within and around the County. During the year under review, the management has carried out an aggressive popularity campaign in Makueni County and its environs.

As a board, we endeavor to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that creates value for the College. KIBWEZI WEST TVC has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligations.

The registered remarkable development which commensurate to its resources within one year since its inception during the period under review in the realization of its mandate with financial support of the Ministry of Education, state department of Vocational and Technical Training in form of Grants and Student Capitation. As a result, the College has now been able to steer its progress through market research, linkages, collaboration and partnerships. We continue to register an overall improvement in our performance due to enhanced resources, physical facilities and infrastructure.

I wish on behalf of the board of governors to thank the State Department of Vocational and Technical Training, Ministry of education, the County Government of Makueni especially Kibwezi west constituency and all other development partners for the support they continue to accord the College without which our achievements would not have been realized. Finally I wish to appreciate my board members and the Kibwezi West TVC management staff for their efforts in supporting the realization of the College mandate.

Peter Mutavi signature..........date.....

Chairman/Board of Governors

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

V. REPORT OF THE PRINCIPAL

Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the College's Annual report and financial statements for the financial year 2020/2021. The report focuses on the Institute's Strategic intent as enshrined in the TVET act 2013 which include Improvement of physical facilities and infrastructure, curriculum development, and advancement of TVET programs by promoting Research & Innovation, Partnership/linkages and environmental management. Further to this the College envisages to strengthen its financial base through promotion of good governance and effective management.

The above strategic issues are part of broad initiatives undertaken by the institute's planning system in order to impart relevance to current the national TVET reforms. This defines the College's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET sector. The report is premised on involvement on account of analysis of goals, strategic issues, strategic objectives and activities that the Kibwezi West TVC envisages to pursue in the 2020/2021 Financial year. The mandate of the BOG among other things is to provide apex management towards achieving the institute mandate as per the TVET Act 2013.

To develop a College with excellence in teaching, training, entrepreneurship, research, consultancy, community service, among other educational services and products, Kibwezi West TVC envisages investing in all forms of curriculum development with emphasis on technology. The top management has embraced change by sensitizing the local populace to embrace the concept of technical and vocational training, particularly the youth. During the year under review, we commit to continue to collaborate with a number of agencies both public and private sector in our endeavour to grow the College. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other development partner desiring to work with us.

During the year under review, there was serious challenges of resources since the college missed fourth quarter grant, HELB Disbursement was also affected by COVID-19. Besides not all of our legible students received Government capitation .

The institute is an active player in Games and sports and during the year under review participated in games for the first time and managed two trophies.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

The college has not been equipped by GOK since its inception.

Challenges

The College emphasizes on the need for adequate staffing for the effective education in all departments. Majority of the departments do not have sufficient staff to handle the trainees. Shortage of trainers is therefore one of the challenges facing the College. In order to alleviate the shortage, the college has been hiring part-time staff to teach the trainees. The staff are paid by the college from its meagre resources. During the 2020/2021 financial year, the Institute maintained 7 trainers under the BOG contract but the number is likely to increase due to our increased programs.

Continuous dynamics in the ICT sector is inevitable where both upgrade and updates of website are a priority. The college has no MIS for efficient of her services but due to minimal resources MIS in all our departments remains a dream to be actualized at unknown later date.

Lack of training equipment has been a serious challenge where the college cannot roll out new technical programs.

Water has been a challenge since the service provider Kibwezi/Makindu Water & Sewerage Company pumps water to our college once a week which is just like a drop in the ocean. Plans to harvest rain water during the year under review was in place but due to shortage of resources it was not actualized

Benson K. Mbekesignature.....date.....

Principal/ Secretary, BOG.

VI. STATEMENT OF THE PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 Subsection 2 (f) of the Public Finance Management Act 2012, requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Kibwezi West Technical and vocational College seven (7) strategic issues/pillars or thematic areas that it plans to lean on in pursuit of its strategic objectives within the current Strategic Plan for the financial year 2020/2021. The strategic pillars/Issues are as follows:

Thematic Area/Pillar 1. Physical Infrastructure, Facilities and the Environment.

Thematic Area/Pillar 2. ICT Integration

Thematic Area/Pillar 3. Linkages with other institutions.

Thematic Area/Pillar 4. Research and Development.

Thematic Area/Pillar 5. Marketing of the college.

Thematic Area/Pillar 6. Social Welfare.

Thematic Area/Pillar 7. Resource Mobilization.

The college has developed the following objectives under each of the pillars to be pursued as the basis for the realization of its goals;

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Pillar 1. Objective - to improve/upgrade infrastructure and facilities.

Pillar 2. Objective - to establish and expand ICT systems for administration and training

Pillar 3. Objective- to promote linkages with other institutions (international, national county government and NGO institutions).

Pillar 4. Objective – to promote research and Development

Pillar 5. Objective – to install and continuously improve marketing of the college and its programs.

Pillar 6. Objective – to create a conducive working and learning environment and promote health and safety of staff, students and all other stakeholders.

Pillar 7. Objective - to strengthen the sourcing, application and of the financial status of the college.

Kibwezi West Technical and Vocational College develops its annual work plans based on the above seven pillars. Assessment of the board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the Financial Year 2020/2021 period for its seven strategic pillars, as indicated in the diagram below;

Strategic Pillar		Objective	Key performance indicators	Activities	Achievements
Pillar 1.	Physical infrastructure, facilities and environment	To develop/improve infrastructure, facilities and environment.	-More land acquired. -additional classroom -borehole drilled. -Fenced college compound. -equipped workshops. -CCTVs system. -college van -planted trees, flowers and land clearance.	-acquire additional land. -acquire additional classrooms. -Construct workshop. -drilling of a borehole. - Equipping of workshops. -Fencing the college compound -CCTV- security system setting - purchase van - tree planting and beautification. - Acquire title deed for the land.	-College compound was fenced. -workshops were equipped. -printing of trees, flowers and compound cleared. -title deed acquisition process was initiated. The survey has been completed.
Pillar 2.	ICT integration.	To acquire and use modern ICT systems	-laptops bought	-Acquire laptops -Acquire projectors	-laptops were bought.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

			<ul style="list-style-type: none"> - purchased printers and photocopiers - Server system purchase and installation. - internet installation - College management system software. 	<ul style="list-style-type: none"> -purchase printer , photocopiers -purchase servers - Air conditioners -purchase and install a server - purchase and install training computers. - acquire college management software. -Installation of a internet system. - Computer software's purchase. 	<ul style="list-style-type: none"> -a projector was acquired. -photocopiers and printers were bought. -an internet system was installed. -computer software acquired.
Pillar 3.	Linkages with other institutions /organizations.	-To establish strong and working links with international, national, county government and NGO organizations.	- established partnerships and other linkages with organizations.	<ul style="list-style-type: none"> -establish exchange programs. -design and develop MOUs with other institutions 	- a member of KATTI
Pillar 4.	Research and Development.	-To promote research and development.	<ul style="list-style-type: none"> -research resources required. -Report on research skills. -report on TNA -implemented research recommendations. -list of training participants. -new research facilities. -implemented findings 	<ul style="list-style-type: none"> -allocate funds to research. -strengthen the research unit. -undertake training needs assessment -train staff in proposal writing and data analysis. -circulate proposal for possible funding 	-Non has been undertaken so far.
Pillar 5.	Marketing the colleges and its programs.	-To market the college and its programs.	<ul style="list-style-type: none"> -completed media advert. - 	-Advertising the college through various media.	

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

				<ul style="list-style-type: none"> -Develop the college magazine. -Hold a graduation ceremony at least once a year. -Print calendars. -establish alumnae association. -conduct an open day. -exhibit in TVET fairs. 	
Pillar 6.	Create conducive working environment	-To create a conducive working and learning environment	<ul style="list-style-type: none"> -reward scheme in place -staff trips -students tours -awareness creation 	<ul style="list-style-type: none"> -document a fair reward scheme. -plan & hold staff trips & tours. -continuous T&D to build capacity in performance of duties and in management and leadership. 	-plans underway to have these in place.
Pillar 7.	Resource mobilization	-To strengthen the financial and other resources status of the college.	<ul style="list-style-type: none"> - a food a beverage Restaurant constructed -a driving school established as per the NTSA regulations. -disposal of idle assets. 	<ul style="list-style-type: none"> - a food a beverage Restaurant constructed -a driving school established as per the NTSA regulations. -disposal of idle assets. 	- Plans are underway.

VII. CORPORATE GOVERNANCE STATEMENT

The College affirms that good corporate governance is simply good business. The College commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Kibwezi west Technical and Vocational

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

College serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act; 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practicing trade's persons in relevant sectors of industry;
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p) Providing for the welfare of the students and staff of the institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The College pays allowances to board members to cater for their transport and sitting allowances.

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

b. Board Committee Meetings, or working committees are held once every term

v. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Kibwezi West Technical and Vocational College serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

vi. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a. Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c. Administering and managing the property of the institution;
- d. Developing and implementing the institutions' strategic plan;
- e. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f. Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h. Mobilizing resources for the institutions;
- i. Developing and reviewing programmes for training and to make representations thereon to the Board;
- j. Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k. Approving collaboration or association with other institutions and industries in and outside Kenya
- l. Recruiting and appointing trainers from among qualified professionals and practicing trade's persons in relevant sectors of industry;
- m. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n. Making regulations governing organization, conduct and discipline of the staff and students;
- o. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p. Providing for the welfare of the students and staff of the institutions;
- q. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r. Discharging all other functions conferred upon it by this Act or any other written law.

vii. Board of Governors Allowances

The institute gives cash allowances to board members to cater for their transport and sitting allowances.

viii. Meetings

- c. Full Board Meetings - are held Once Every Term
- d. Board Committee Meetings- Once Every Term
- e. Executive Board Meeting- Once Every Term.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

i. Financial Performance

The entity is unstable financially.

It operates on fees received from students, governments grant and capitation.

In the FY 2020/2021 the Institute targeted to raise A.I.A (Appropriation in Aid) of Kshs **8,501,000**. By the end of the financial year the Institute had collected AIA amounting to Kshs **4,246,610**. The Institute had pending bills of **ksh. 180,145.00** by the close of the FY 2020/2021.

During the 2020/2021 Financial Year the Institute undertook the following activities:

1. Construction of a Chain link fence -500 Metres in length up to 75% completion.
2. .Equipping of workshops which were empty during college inception upto 30%
- 3 .Rain water collection upto 10%

College's compliance with statutory requirements

The institute complies with various statutory requirements; e.g. deduction and remittance of P.A.Y.E, N.H.I.F, and N.S.S.F among others.

Maior risks facing the entity

Student's Uncertainty on their sustainability in college-, in adequate training materials and equipment, being occasioned by delayed disbursements of G.O.K Capitation .

Material arrears in statutory /financial obligations

At end of the financial year the Creditors total bill was NIL due to lack of credit worth from suppliers since we were very new in existence.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

IX. ENVIROMENTAL AND SUSTAINABILITY REPORTING.

Kibwezi West Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile -

Kibwezi West Technical and Vocational College is strategically placed along Nairobi-Mombasa highway opposite KMTC Makindu campus opposite Makindu Agricultural Show ground in Makeni county.

The Vocational Training Sub-sector, despite being a major producer of self & formal employment opportunities, has not been able to perform as anticipated due to a number of reasons. To address the above a normally the College wishes to put diverse efforts in place to make sure the College performs as mandated. One such effort is to develop a Sustainability Growth Plan (SGP). The main aim of the intervention is to map out a sustainable growth plan to increase access to diverse training opportunities and increase trainees' enrolment and retention to a realistic number of 1000 by the end of 2025

2. Environmental performance

Land Issue

The entity has an issue of land 15 Ha which is not sufficient enough for any meaningful growth to cater for expansion and future development of the College. The entity is committed to continuously pursue with the County Government allocate more land by re-locating the showground to the county Headquarters.

Water

The entity is predominantly in an arid zone. In order to solve the problem of water shortage in the College, the entity resolved to collect all the rain water and increase water tanks from 1-10. also to rehabilitate a water ground tank which was initially used by the contractor to collect more rain water

3. Employee welfare

The entity is in a process of coming up with a Human Resource Management policy which will guide the hiring process, procedures, regulations and other administrative procedures relating to hiring of human resources. Over the years, the Board of Governors (BOG) has continued to hire the services of non-teaching staff on permanent basis according to the College's needs and ability to pay salaries. Over the one year, the BOG staffs have continued to suffer poor remuneration due to inadequate resources. With the realization of the high cost of living, the board is unable to review their salaries due to meager resources. However, the Board has maintained salaries that are affordable considering the low fee payable by parents for personal emolument.

Specifically, the policy manual on progress intends to: -

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

- Ensure adherence to the Constitution as the supreme reference document and other government regulations.
- Ensure a common understanding by KWTVC Staff of stipulated standards and procedures in monitoring their performance for continued improvement.
- Achieve optimum utilization of staff' skills and talents, in enhancing career development.
- Create a conducive working environment, positive relations, parity treatment of all cadres of staff and work life balance

As guided by the Constitution of Kenya, the ultimate objective of recruitment for the Board is to secure the highest standard of efficiency, competence and integrity without discrimination as to race, religion, colour, ethnic origin, political affiliation, sex or sexual orientation, pregnancy, marital status, disability, health or social status.

The authority to recruit and appoint the Board staff is vested on the Board and the recruitment is carried on a national competitive basis. Without prejudice to the recruitment of new staff at all levels, priority will be given to suitable employees. The Board commits to adhere to the equal opportunity principles. The Board believes that the diversity of staff contributes to its intellectual strength and effectiveness as an organization and therefore endeavours to operate an efficient system for distributing advertisements and position announcements to women and men nationwide, and to make selection of staff without discrimination. The Board offers a working environment which is sensitive to the needs of both male and female employees and recognizes the reward and recognition policy.

The entity has a strong policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices-

We build trust with all stakeholders by ensuring that ethical decision making guides responsible procurement day to day activities. The College will be advertising its annual tenders every two years through College website, social media platform, etc and ensures that the tendering process is run openly and fairly to select the best suitable vendors. Staffs are guided by the code of conduct and procurement ethics thus ensures no unwanted information lands to unintended user. Our clients are free to make inquiries and seek clarifications when need arises.

The College conduct due diligence on the vendors we engage with to avert the high risk of transacting with blacklisted companies.

The college has great record in managing good supplier relation. We give timely orders to avoid unnecessary rush and panic buying which brings about misunderstanding. Once deliveries are done, the payment process starts and payment is done on the stipulated times in our service charter. Our suppliers

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

are accorded professional service to ease operations. There are regular meetings held do to supplier evaluation to ensure the best is achieved and in case of any challenges they are ironed out.

- a) The College applies ethical marketing in relation to standard of fairness or moral rights to what is of best interest to the college. We ensure good publicity with our clients occasionally there are paid adverts in Posters and radios.

5. Corporate social responsibility/ community engagements.

The institution undertook a stakeholder mapping and analysis, and held consultations with Key Stakeholders (Strategic Partners) in the Constituency. From the survey in the Constituency there was indication that most of the youths associate themselves in the following activities/occupations.

- a) Transport sector e.g. Bodaboda, touts
- b) Small businesses e.g. Retail, M-pesa, saloons,
- c) Agribusiness – farming of Mangoes, oranges and chicken rearing
- d) Performing Arts and theatre.

From the above findings, the entity under takes to corroborate with community under the following areas of skills upgrading;

1. Training the youths on varies area of need based on skills gap and a targeted outcome for varying Youth groups.
 - a) Hair dressing and beauty therapy.
 - b) Entrepreneurial skills.
 - c) Employability and life skills.
 - d) First aid short course for truck drivers

The CSR activities

During the year under review, the entity sought further on the areas requiring intervention through CSR approach. The entity established and empowered the Guidance and Counselling department to seek to help the community on the following areas;

- a) Youth in drug and substance abuse – *Muguka*, alcohol and other substances
- b) Young mothers – how to focus on empowering young mothers in economic activities.
- c) Youth in HIV and AIDs.
- d) Those in need for mentorship program and career choice.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

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

Principal activities

The core mandate of the College is providing knowledge and skills to the people of Makueni County and the nation at large.

The Mandate of is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

The Auditor General is responsible for the statutory audit of **KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE**

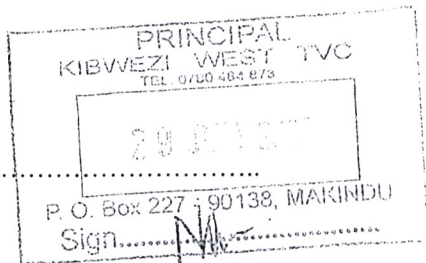
in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Corporate Secretary

Nairobi

Date:.....



BOG Chairperson.....signature *Peter Mutani*.....date *29/06/2022*

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

XI. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES.

Section 81 of the public finance management act 2012 and (section 14 of the state corporation act and section 29 of schedule of the technical and vocational educational and training act 2013) require the BOG members to prepare financial statements in respect of the college which give a true and fair view of the state of affairs of the college at the end of the financial year and the operating results of the college for that year. The BOG members also are required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The BOG members are also responsible for safeguarding the assets of college.

The BOG members are responsible for the preparation and presentation of Kibwezi west TVC financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2021.

The BOG responsibility includes:

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

The BOG members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). The BOG members are of the opinion that the Institute's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2021, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Kibwezi West TVC's amended financial statements were approved by the Board on 29th JUNE, 2022 and signed on its behalf by:

.....
Peter Mutavi

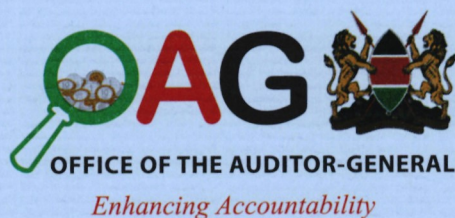
Chairperson of the Board

Benson K. Mbeke

Accounting Officer/Principal

PRINCIPAL KIBWEZI WEST TVC TEL. 0760 484 873
..... Sign
P.O. Box 227 - 90138, MAKINDU

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kibwezi West Technical and Vocational College, set out on pages 1 to 52 which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kibwezi West Technical and Vocational College as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Presentation and Inaccuracies in the Financial Statements

Review of the financial statements for the year ended 30 June, 2021 presented for audit revealed the following anomalies:

- i. The statement of changes in net asset reflects capital fund balance as Kshs.Nil while the statement of financial position shows a balance of Kshs.59,685,636 for the same item.
- ii. The statement of financial performance reflects capital transfers from other levels of Government (Capitation) of Kshs.500 while Note 8 to the financial statements shows a balance of Kshs.1,265,000 resulting to unexplained variance of Kshs.1,264,500.
- iii. Note 22 to the financial statements has a casting error that reflects total finance costs as Kshs.Nil instead of the correct amount of Kshs.2,710.
- iv. The statement of financial performance reflects total expenditure of Kshs.2,788,162 while the statement of comparison of budget and actual amounts reflects total expenditure of Kshs.3,203,618 resulting in unexplained difference of Kshs.415,456.

- v. The statement of financial performance and Note 14 to the financial statements reflects other income of Kshs.36,000 while the statement for comparison of budget and actual amounts reflects other income balance of Kshs.36,500 resulting in unexplained difference of Kshs.500.
- vi. The statement of financial position and Note 33 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.180,145 as at 30 June, 2021. However, the creditors' ledger reflected a balance of Kshs.177,860 for the same account, resulting to a variance of Kshs.2,285. No reconciliation was provided to explain the variance.

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

2. Unconfirmed Capital Fund

The statement of financial position reflects capital fund balance of Kshs.59,685,636 as at 30 June, 2021. However, the balance was not supported with relevant documents and a disclosure note to the financial statements. Further, the balance was omitted from the statement of changes in net assets. No explanation was given for the anomaly.

In the circumstances, the accuracy and completeness of the capital fund balance of Kshs.59,685,636 could not be confirmed.

3. Failure to Prepare General Ledger

Review of the financial statements for the year ended 30 June, 2021 provided for audit revealed that, the Management did not provide a general ledger to support the balances reflected in the financial statements. Instead, the financial statements balances were extracted direct from the cash books. No explanation was given for the failure to prepare the general ledger.

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

4. Property, Plant and Equipment

The statement of financial position and Note 31 to the financial statements reflects property, plant and equipment net book value of Kshs.58,397,456 as at 30 June, 2021. However, review of the balance revealed the following anomalies:

- i. Included in the balance is the additions during the year of Kshs 397,456 which was not supported with local purchase orders and inspection and acceptance committee certificates.
- ii. The balance excludes ICT Hub equipment donated by Kibwezi West National Constituencies Development Fund valued at Kshs.1,169,257.

- iii. Assets purchased during the year under review consisting of furniture and printers valued at Kshs.34,000 were not included in the assets balance.
- iv. The College sits on 15.5 hectares of land whose value has not been included in the financial statements and ownership documents for the College land were not provided for audit. Further updated assets register was not provided to confirm the balances.

In the circumstances, the completeness, accuracy and ownership of property, plant and equipment balance of Kshs.58,397,456 could not be confirmed.

5. Repairs and Maintenance Expenditure

The statement of financial performance and Note 19 reflects Kshs.923,335 relating to repairs and maintenance. However, the expenditure was not supported with local service orders and inspection and acceptance committee certificates. Further, expenses for printing of brochures of Kshs.45,000 and supply of 20 chairs totaling to Kshs.100,000 were wrongly charged to this expenditure item.

In addition, the repairs and maintenance budget for the financial year 2020/2021 was Kshs.300,000. The Management therefore incurred expenditure in excess of the approved budget by Kshs.623,335 (67%) without authority.

In the circumstances, the completeness and accuracy of the expenditure of Kshs.923,335 on repairs and maintenance could not be confirmed.

6. Revenue from Exchange Transactions

The statement of financial performance and Note 10 to the financial statements reflects rendering of services-fees from students' revenue of Kshs.1,945,110. However, the cashbooks presented for audit reflected the receipts totaling to Kshs.3,345,910 for the same account. Management failed to explain the difference of Kshs 1,400,800.

In the circumstances, the completeness and accuracy of the revenue from exchange transaction of Kshs 1,945,110 could not be confirmed.

7. Cash and Cash Equivalents

The statement of financial position and Note 26 to the financial statements reflect cash and cash equivalents balance of Kshs.1,042,992 as at 30 June, 2021. However, the bank reconciliation statements show cashbook balance Kshs.391,104 resulting in unexplained difference of Kshs.651,888.

In addition, the balance includes cash in hand of Kshs.20,088 which was not supported with a board of survey report.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.1,042,992 could not be confirmed.

8. Transfers from the National Government Grants

The statement of financial performance and Note 6 to the financial statements reflects transfers from the national government-grants and gifts in kind of Kshs.2,265,000 as at 30 June, 2021. However, the transfers include the amounts totaling to Kshs.1,615,000 which were not supported by Authority to Incur Expenditure (AIE) documents and receipt vouchers. This is contravention of the provisions of Regulation 104 (1) of Public Finance Management (National Government) Regulations, 2015, which stipulates that public monies shall be supported by appropriate authority and documentation.

In the circumstances, the accuracy and completeness of the transfers from the National Government of Kshs.2,265,000 could not be confirmed.

9. Unsupported Inventories

The statement of financial position and Note 28 to the financial statements reflects the inventories balance of Kshs.11,000. However, the balance was not supported with board of survey reports and stock-take sheets.

In the absence of supporting documents, the accuracy and completeness of the inventories balance of Kshs.11,000 could not be confirmed.

10. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance and Note 15 to the financial statements reflects use of goods and services expenditure of Kshs.1,472,861. The expenditure includes the various items amount of Kshs.138,920 which was not supported with relevant documents such as user requisitions, quotations, evaluation minutes, local purchase orders, local service orders, delivery notes, and goods received notes. This is a contravention of the provisions of Regulation 104 (1) of Public Financial Management (National Government) Regulations, 2015, which stipulates that all receipts and payment vouchers of public moneys shall be properly supported and authorized appropriately.

In the circumstances the accuracy, completeness and propriety of the expenditure of Kshs.138,920 incurred on use of goods and services could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kibwezi West Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other

ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflect the budgeted revenue of Kshs.8,501,000 and actual revenue realized of Kshs.4,246,610 resulting in a shortfall of Kshs.4,254,390 (or 50%) of the approved budget. Further, out of the actual receipts of Kshs.4,246,610 only the amount of Kshs.3,203,618 was spent resulting in under absorption of Kshs.1,042,992 (or 26%) of the available funds.

In addition, the statement of financial performance reflects the total expenditure of Kshs.2,788,162 while the statement of comparison of budget and actual amounts reflects the total expenditure of Kshs.3,203,618, resulting in unreconciled difference of Kshs.415,456.

The underfunding and under performance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Comply with Budget Approval Procedures

During the year under review, the Board of Governors prepared and approved the annual budget estimates for 2020/2021 financial year. However, no documents were provided for audit to confirm that the annual estimates approved by the Board were submitted to the Cabinet Secretary for further approval before the beginning of the financial year

2020/2021. This is in contravention of the provisions Section 13(1) and (3) of the Technical and Vocational Education and Training Act, 2013 which stipulates that annual estimates shall be submitted to the Cabinet Secretary for approval, before the commencement of the financial year to which they relate.

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

2. Irregular Procurement of Goods and Services

The statement of financial performance and Note 15 to the financial statements reflects use of goods and services expenditure of Kshs.1,472,861 as at 30 June, 2021. However, the expenditure includes the amounts incurred on various items totaling to Kshs.1,284,390 which were not in the approved annual procurement plan for the year under review. This contravenes the provisions of Regulation 51 (3) and (6) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that Accounting Officer of a government entity shall make an expenditure commitment only against the procurement plan approved for that entity

Further, the items were procured without use of an approved list of pre-qualified supplier's contrary to the provisions of Section 95(3) of Public Procurement and Asset Disposal Act, 2015 that requires a procuring entity to invite tenders from only the approved persons who have been pre-qualified.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Policy and a Disaster Recovery Plan

Review of the College's risk management framework revealed that there was no Risk Management Policy Framework to guide in identification, assessment and mitigation of risks. This is a contravention of the provisions of Regulation 165(1) of the Public Finance Management (National Governments) Regulations, 2015 which outlines the role and responsibilities of Accounting Officers in respect of risk management. In addition, the College did not have a Disaster Recovery and Business Continuity Plan in place.

In the absence of Risk Management Policy and, a Disaster Recovery and Business Continuity Plan, the College lacks a blue print for identifying, preventing and mitigating against risks and disasters to ensure that its operations are not interrupted in case of unforeseen events.

2. Lack of Approved Human Resource Policy Documents

Review of personnel documents revealed that the College does not have a Human Resource Department and staff who are trained in human resources. Further, the College does not have in place an approved Staff Establishment and Human Resource Policy Manual to guide in staff matters such as recruitment, remuneration, discipline and progression. This is a contravention of Part II- Section B2 (1 & 2) of Human Resource Policies and Procedures Manual for Public Service of 2016.

In the circumstances, the Management lacks the basis for recruitment, remuneration and management of staff which could affect their effective performance.

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

Responsibilities of Management and Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 August, 2022

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

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

	Notes	2020-2021	2019-2020
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the National Government—grants/ gifts in kind	6	2,265,000.00	
Grants from donors and development partners	7	000	
Transfers from other levels of government (capitation)	8	500.00	
Public contributions and donations	9	000	000
Total revenue from non-exchange transactions		2,265,500.00	000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	1,945,110.00	000
Sale of goods	11	000	000
Rental revenue from facilities and equipment	12	000	000
Finance income-external investments	13	000	000
Other income [sale of tender documents]	14	36,000.00	000
Revenue from exchange transactions		1,981,110.00	000
Total revenue		4,246,610.00	000
Expenses			
Use of goods and services	15	1,472,861.00	000
Employee costs	16	389,256.00	000
Remuneration of directors	17	000	000
Depreciation and amortization expense	18	000	000
Repairs and maintenance	19	923,335.00	000
Contracted services	20	000	000
Grants and Subsidies	21	000	000
Finance costs	22	2,710.00	000
Total expenses		(2,788,162.00)	[000]
Other gains/(losses)			
Gain on sale of assets	23	000	000
Unrealized gain on fair value of investments	24	000	000
Impairment loss	25	000	000
Total other gains/(losses)		000	000
Net Surplus for the year		1,458,448.00	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Attributable to:			
Surplus/(deficit)attributable to minority interest		000	000
Surplus attributable to owners of the controlling entity		000	000
		000	000

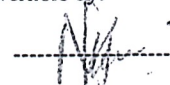
The notes set out on pages 20 to 28 form an integral part of the Annual Financial Statements.

XIV. STATEMENT OF FINANCIAL POSITIONAS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	26	1,042,992.00	000
Current portion of receivables from exchange transactions	27(a)	1,426,085.00	000
Receivables from non-exchange transactions	28	500,000.00	000
Inventories	29	11,000.00	000
Investments	30	000	000
		2,980,077.00	000
Non-current assets			
Property ,plant and equipment	31	58,397,456.00	000
Investments	30	000	000
Intangible assets	32	18,000.00	000
Investment property	33	000	000
Long term receivables from exchange transactions	27(b)	000	000
Total Non-current Assets		58,415,456.00	000
Total assets		61,395,533.00	000
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	180,145.00	000
Refundable deposits from customers	35	000	000
Current Provisions	36	71,304.25	000
Finance lease obligation	37	000	000
Current portion of borrowings	41	000	000
Deferred income	38	000	000
Employee benefit obligation	39	000	000
Payments received in advance		000	000
		251,449.25	000
Non-current liabilities			
Non-current employee benefit obligation	39	000	000
Non-current provisions	40	000	000
Borrowings	41	000	000
Service concession liability	42	000	000
Deferred tax liabilities	49	0000	000
		000	000
Total liabilities		251,449.25	000
Net assets		61,144,083.75	000
Reserves		000	000
Accumulated surplus		1,458,448.00	000
Capital Fund		59,685,635.75	000
Total net assets and liabilities		61,144,083.75	000

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Council/ Board of Governors by:





KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

PETER MUTAVI
Chairman of Council/Board of Governors

STEPHEN MUTUA
Finance Officer
ICPAK No 18616

BENSON K MBEKE
Principal

Date.....29/06/2022

Date.....

Date.....
KIBWEZI WEST TVC
P.O. BOX 277, KIBWEZI, KENYA
Sign.....*[Signature]*

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/fund	Total
At July 1, 2019	000	000		000	000
Revaluation gain	000	-	-	-	000
Fair value adjustment on quoted investments	-	000	-	-	000
Total comprehensive income	-	-	000	-	000
Capital/Development grants received during the year	-	-	-	000	000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	0000	(000)	-
At June 30, 2020	000	000	000	000	000
At July 1, 2020	000	000	000	000	000
Revaluation gain	00	-	-	-	000
Fair value adjustment on quoted investments	-	000	-	-	000
Total comprehensive income	-	-	1,458,448.00	-	1,458,448.00
Capital/Development grants received during the year	-	-	-	000	000
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	000	(000)	-
At June 30, 2021	000	000	1,458,448.00	000	1,458,448.00

Note:

1. There was no prior year adjustments.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

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

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6& 8	2,265,500.00	000
Public contributions and donations		000	000
Rendering of services- Fees from students	10	1,945,110.00	000
Sale of goods		000	000
Rental revenue from facilities and equipment		000	000
Finance income		000	000
Other income		36,000.00	000
Total Receipts		4,246,610.00	000
Payments			
Compensation of employees		000	000
Use of goods and services	15	1,472,861.00	000
Staff cost	16	389,256.00	000
Repairs and maintenance	19	923,335.00	000
Operating expenses- bank charges		2,710.00	000
Administrative expenses		000	000
Grants and subsidies paid		000	000
Total Payments		2,788,162.00	000
Net cash flows from operating activities		1,458,448.00	000
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		415,456.00	(000)
Proceeds from sale of property, plant and equipment		000	
Decrease in non-current receivables		000	000
Increase in investments		(000)	(000)
Net cash flows used in investing activities		(415,456.00)	(000)
Cash flows from financing activities			
Proceeds from borrowings		000	000
Repayment of borrowings		(000)	(000)
Increase in deposits		000	000
Net cash flows used in financing activities		(000)	(000)
Net increase/(decrease) in cash and cash equivalents		1,042,992.00	(000)
Cash and cash equivalents at 1 st JULY 2020		0.00	000
Cash and cash equivalents at 30th JUNE 2021	26	1,042,992.00	000

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

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

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilisation Difference	
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs		Kshs		Kshs		Kshs		Kshs		%	
Transfers from other Govt entities Govt. grants	3,500,000	3,500,000	(000)	(000)	3,500,000	2,265,000.00	1,235,000	35%				
Public contributions and donations	000	000	(000)	(000)	000	(000)	00%					
Rending of services- Fees from students	1,501,000	1,501,000	(000)	(000)	1,501,000	1,945,110.00	29%					
Sale of goods	000	000	-	-	000	(000)	0%					
Finance Income	000	000	-	-	000	000	0%					
Development funding from GOK	3,500,000	3,500,000	-	-	3,500,000	3,500,000	100%					
Other Income- a/c opening balance and tenders	000	000	-	-	000	36,500.00	100%					
Gains on disposal, rental income and agency fees	000	000	000	000	000	(000)	0%					
Total income	8,501,000	8,501,000	(000)	(000)	8,501,000	4,246,610.00	50%					
Expenses												
Employees Costs (Salaries & Wages)	1,860,000.00	1,860,000.00			1,860,000.00	389,256.00	79%					
Use of Goods and services	6,341,000.00	6,341,000.00	(000)	(000)	6,341,000.00	3942094.00	60%					
Repairs & Maintenance	300,000.00	300,000.00	(000)	(000)	300,000.00	623,335.00	210%					
Assets acquired	000	000	(000)	(000)	000	415,456.00	100%					
Remuneration of directors	000	000	(000)	(000)	--	-	0%					
Grants and subsidies paid	000	000	-	-	-	-	0%					
Total expenditure	8,501,000	8,501,000	(000)	(000)	8,501,000	3,203,618.00	62%					
Surplus for the period	000	000	000	000	000	1,042,992.00	100%					

Budget notes**1. Revenue items:**

- I. Transfers from other Govt. entities & government grants reported an adverse variance of 35% representing a shortfall from the expected income from govt. grants.*

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

- II. *Rendering of services – fees from students reported a favorable variance of 29% representing the extra enrollment from the budgeted 50 to the actual 103 students and therefore the extra fees income.*
 - III. *Other income included proceeds from sale of tender documents and the cash deposited in opening the college account. There was a 100% performance difference- favorable as there had been no budget amount for the same.*
2. *Expense items.*
- I. *Use of goods and services comprised of items in note 15, 16, 19 and 22. As our original budget had consolidated these items. This reported a 67% favorable variance representing a cost saving efficiency in operations.*
 - II. *Staff costs/personnel emoluments expenditure variance of 79% favorable represents efficiency in the utilization of the human resource through optimization in allocation of duties.*
 - III. *Notes 31 and 32 which comprised of additional furniture, fittings, equipment and non-current intangible assets respectively have also been included as there was no separate budget line for them. The item reported a 100% unfavorable variance as it had not been budgeted for.*
 - IV. *Total expenditure variance of 62 % favorable was a mark of overall cost efficiency in operations.*
 - V. *There having been no budget line for surplus/deficit, the resultant operations efficiency was represented by the 100% favorable variance in the overall surplus.*
 - VI. *The RMI (repairs and maintenance) reported a 210 adverse variance. This represented an excess of the amount spend (over the budget allocation) especially on repair of the perimeter fence(around the College premises) which was in dire need of repairs.*

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

XVIII. SNOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

KIBWEZI WEST TVC is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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 2021.**

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

	<p>references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>Amendments were not done because 2020/2021 was used as the institute's financial base year.</i></p>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

	<ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1stJanuary 2023</p> <p>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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2020/2021 was approved by the Council or Board on 26/6/2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of *Kshs.0* on the FY 2018/2019 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

The entity is exempt from paying taxes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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.

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 a period of xxx years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

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, the entity recognizes such parts as individual assets

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

h) Research and development costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

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

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

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

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	1,265,000	000
Operational grants	1,000,000	000
Other grants	000	000
	2,265,000	000
Conditional grants		
Library grant	000	000
Hostels grant	000	000
Administration block grant	000	000
Laboratory grant	000	000
Learning facilities grant	000	000
Other organizational grants	000	000
Total government grants and subsidies	2,265,000	000

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	
			KShs	KShs	KShs
Ministry/State Department	000	000	000	000	000
Ministry	000	000	000	000	000
Total	000	000	000	000	000

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021	2019-2020
	KShs	KShs
JICA- Research grant	000	000
World Bank grants	000	000
In-kind Donations	000	000
Other grants	000	000
Total grants from development partners	000	000

Reconciliations of grants from donors and development partners

Description	2020-2021	2019-2020
	KShs	KShs
Balance unspent at beginning of year	000	000
Current year receipts	000	000
Conditions met - transferred to revenue	000	000
Conditions to be met - remain liabilities	000	000

(The institution did not benefit from any grants from donors)

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021	2019-2020
	KShs	KShs
Transfer from M.O.E(capitation)	1,265,000	000
Total Transfers	1,265,000	000

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2019-2020
	KShs	KShs
Public donations	000	000
Donations from local leadership	000	000
Donations from religious institutions	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Donations from alumni	000	000
Other donations	000	000
Total donations and sponsorships	000	000

[The institution did not benefit from public contributions and donations]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	649000.00	000
Activity fees	66,470.00	000
Industrial attachment	95,380.00	000
Registration fees	27,595.00	000
Personal emoluments	224,020.00	000
Local transport and Travelling	114,160.00	000
Electricity, water and conservancy	169,550.00	000
Repairs maintenance and improvement	346,295.00	000
Caution money	56,670.00	000
Startup kit	78,900.00	000
Kuccps	80,530.00	000
Student council	36,540.00	000
Total revenue from the rendering of services	1,945,110.00	000

This revenue was realized from trainees' payment of fees as itemized above..

11. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods		
Sale of books	000	000
Sale of tender documents	000	000
Sale of farm produce	000	000
Cafeteria	000	000
Other(include in line with your organisation)	000	000
Total revenue from the sale of goods	000	000

There was no income realized from sale of goods

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities and equipment		
Contingent rental	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Operating lease revenue		
Total	000	000

There was no revenue realized from hire of facilities and equipment.

13. FINANCE INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	000	000
Interest income from Treasury Bills	000	000
Interest income from Treasury Bonds	000	000
Interest from outstanding debtors	000	000
Total finance income	000	000

The institute did not realize finance income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Insurancerecoveries	000	000
Consultancy fees	000	000
Income from sale of tender	36,000.00	000
Servicesconcessionincome	000	000
Reimbursements and refunds	000	000
Graduation fees	000	000
Miscellaneous (<i>Specify</i>)	000	000
Totalotherincome	36,000	000

This income was realised from sale of tender documents.

15. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Teaching and learning materials	372,776.00	000
Electricity & Water	9550	000
Security	000	000
Advertising	202,770	000
General Office Administration expenses	47,331.00	000
Travelling and accommodation	423,300.00	000
Fuel and oil	000	000
Licenses and permits	29,000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Postage & Telephone	45,000.00	000
Printing and stationery	165,684.00	000
Hire charges	000	000
Subscription to Organizations(KATTI)	149,680.00	000
Training expenses	24,570.00	000
Auditing and other professional services	000.00	000
Others (Specify)	000.00	000
Skills development levies(Games & Sports)	3,200.00	
Total good and services	1,472,861.00	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	389,256.00	000
Employee related costs-contributions to pension and medical aids	000	000
Travel, motorcar, accommodation, subsistence and other allowances	000	000
Housing benefits and allowances	000	000
Overtime payments	000	000
Performance and other bonuses	000	000
Social contributions	000	000
Employee costs	389,256.00	000

17. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	000	000
Directors emoluments	000	000
Other allowances	000	000
Total director emoluments	000	000

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	000	000
Intangible assets	000	000
Investment property carried at cost	000	000
Total depreciation and amortization	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

19. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	211,256.00	000
Investment property—earning rentals	000	000
Equipment and machinery	000	000
Vehicles	000	000
Furniture and fittings	503,789.00	000
Computers and accessories	208,290	000
Other	000	000
Total repairs and maintenance	923,335.0 0	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Actuarial valuations	000	000
Investment valuations	000	000
Property valuations	000	000
Total contracted services	000	000

21. GRANTS AND SUBSIDIES

Description	2020-2021	2019-2020
	KShs	KShs
Community development	000	000
Education initiatives and programs	000	000
Social development	000	000
Community trust	000	000
Sporting bodies	000	000
Total grants and subsidies	000	000

22. FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Borrowings(amortized cost)*	000	000
Finance leases (amortized cost)	000	000
Unwinding of discount	000	000
Interest on Bank overdrafts	000	000
Interest on loans from commercial banks	000	000
Bank charges	2,710.00	
Total finance costs	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

There was no borrowings in the financial year ended.

GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
		000
Property, plant and equipment	000	000
Intangible assets	000	000
Other assets not capitalized	000	000
Total gain on sale of assets	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Investments at fair value	000	000
Total gain	000	000

24. IMPAIRMENT LOSS

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	000	000
Intangible assets	000	000
Total impairment loss	000	000

25. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	1,022,904	000
On - call deposits	000	000
Fixed deposits account	000	000
Staff car loan/ mortgage	000	000
Others(specify) cash at hanh	20,088.00	000
Total cash and cash equivalents	1,042,992.00	000

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Financial institution	Account number	2020-2021 KShs	2019-2020 KShs
a) Current account			
Kenya Commercial bank	1279788674	1,022,904.00	000
Equity Bank, etc			000
Sub- total		1,022,904.00	000
b) On - call deposits			
Kenya Commercial bank		000	000
Equity Bank – etc			000
Sub- total		000	000
c) Fixed deposits account			
Kenya Commercial bank		000	000
Bank B			000
Sub- total		000	000
d) Staff car loan/ mortgage			
Kenya Commercial bank		000	000
Bank B			000
Sub- total		000	000
e) Others(specify)			
Cash in transit		000	000
cash in hand		20,088.00	000
Mobile Money account		000	000
Sub- total		20,088.00	000
Grand total		1,042,992.00	000

26. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Student debtors	1,426,085.00	000
Rent debtors	000	000
Consultancy debtors	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

Other exchange debtors	000	000
Less: impairment allowance	(000)	(000)
Total current receivables	1,426,085.00	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(b) Long- term Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Non-current receivables		
Refundable deposits	000	000
Advance payments	000	000
Public organizations	000	000
Less: impairment allowance	(000)	(000)
Total	000	000
Current portion transferred to current receivables	(000)	(000)
Total non-current receivables	000	000
Total receivables	000	000

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

Description	2020-2021	2019-2020
	KShs	KShs
At the beginning of the year	000	000
Provisions during the year	71,304.25	000
Recovered during the year	(000)	(000)
Write offs during the year	(000)	(000)
At the end of the year	71,304.25	000

27. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Capitation grants*	500,000	000
Transfers from other govt. entities	000	000
Undisbursed donor funds	000	000
Other debtors(non-exchange transactions)	000	000
Less: impairment allowance	(000)	(000)
Total current receivables	500,000	000

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2021

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

Description	2020-2021	2019-2020
	KShs	KShs
At the beginning of the year	000	000
Additional provisions during the year	000	000
Recovered during the year	(000)	(000)
Written off during the year	(000)	(000)
At the end of the year	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores	000	000
Maintenance stores	000	000
Health unit stores	000	000
Electrical stores	000	000
Cleaning materials stores	5,000.00	000
Catering stores	6,000.00	000
Total inventories at the lower of cost and net realizable value	11,000.00	000

29. INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	000	000
CBK	000	000
Sub- total	000	000
b) Investment with Financial Institutions/ Banks		
Bank x	000	000
Bank y	000	000
Sub- total	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

c) Equity investments (specify)		
Equity/ shares in company xxx	000	000
Sub- total	000	000
Grand total	000	000

d) Shareholding in other entities

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

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Current year	Prior year
Entity A	0.00	0.00	0.00	000	000	000
Entity B	0.00	0.00	0.00	000	000	000
Entity C	0.00	0.00	0.00	000	000	000
Entity D	0.00	00.0	0.00	000	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings Shs	Motor vehicles Shs	Furniture and fittings Shs	Computers Shs	Other Assets (Specify) Shs	Plant and equipment Shs	Capital Work in progress Shs	Total Shs
Cost								
At 1 st July 2019	58,000,000.00	000	000	000	000	000	000	58,000,000.00
Additions	000	000	000	-	000	-	000	000
Disposals	(000)	(000)	-	-	(000)	-	(000)	(000)
Transfers/adjustments	000	(000)	000	(000)	(000)	-	000	(000)
At 30 th June 2020	000	000	000	000	000	000	000	000
Additions	000	000	397,456.00	-	000	000	000	397,456.00
Disposals	(000)	-	-	-	(000)	-	(000)	(000)
Transfer/adjustments	(000)	000	000	(000)	(000)	-	000	000
At 30 th June 2021	000	000	000	000	000	000	000	000
Depreciation and Impairment								
At 1 st July 2020	(000)	(000)	(000)	(000)	(000)	-	(000)	(000)
Depreciation	(000)	(000)	(000)	(000)	(000)	-	(000)	(000)
Impairment	(000)	-	-	-	(000)	-	-	(000)
At 30 th June 2021	000	000	000	000	000	000	000	000
Depreciation	(000)	(000)	(000)	-	(000)	(000)	(000)	(000)
Disposals	000	-	-	-	000	-	000	000
Impairment	(000)	(000)	-	-	(000)	-	-	(000)
Transfer/adjustment	000	(000)	(000)	000	(000)	-	(000)	000
At 30 th June 2021	58,000,000.00	000	397,456.00	000	000	000	000	58,397,456.00
Net book values								

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

At 30 th June 2020	000	000	000	000	000	000	000	000	000
At 30 th June 2021	58,000,000.00	000	000	397,456.00	000	000	000	000	58,397,456.00
<i>[Include brief description of WIP as a footer]</i>									

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

Land and buildings were not yet valued as to date. Therefore there is no any accumulated depreciation thus the value remains at cost.

31 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land			
Buildings	58,000,000.00	000	58,000,000.00
Plant and machinery	000	000	000
Motor vehicles, including motorcycles	000	000	000
Computers and related equipment	000	000	000
Office equipment, furniture, and fittings	397,456.00	000	397,456.00
Total	58,397,456.00	000	58,397,456.00

31. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	000	000
Additions	18,000.00	000
At end of the year	18,000.00	000
Additions-internal development	000	000
At end of the year	000	000
Amortization and impairment		
At beginning of the year	000	000
Amortization	000	000
At end of the year	000	000
Impairment loss	000	000
At end of the year	18,000.00	000
NBV	18,000.00	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. INVESTMENT PROPERTY

Description	2020-2021	2019-2020
	KShs	KShs
At beginning of the year	000	000
Additions	000	000
Disposal during the year	(000)	(000)
Depreciation	(000)	(000)
Impairment	(000)	(000)
At end of the year	000	000

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

33. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	000	000
Fees paid in advance	180,145	000
Employee advances	000	000
Third-party payments	000	000
Other payables	000	000
Total trade and other payables	180,145	000

34. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Consumer deposits	000	000
Caution money	000	000
Other refundable deposits	000	000
Total deposits	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

35. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	000	000	000	000	000
Additional Provisions	000	000	000	71,304.25	71,304.25
Provision utilised	(000)	(000)	(000)	(000)	(000)
Change due to discount and time value for money	(000)	(000)	(000)	(000)	(000)
Transfers from non -current provisions	000	000	000	000	000
Total provisions	000	000	000	71,304.25	71,304.25

NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. FINANCE LEASE OBLIGATION

Description	2020-2021	2019-2020
	KShs	KShs
At the start of the year		
Discount interest on lease liability	000	000
Paid during the year	(000)	(000)
At end of the year	000	000

Maturity Analysis

Period	Amount
Year 1	000
Year 2	000
Year 3	000
Year 4	000
Year 5 and onwards	000
Less: Unearned interest	(000)
	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Analysed as:

Description	Amount
Current	000
Non- Current	000
Total	000

37. DEFERRED INCOME

Description	2020-2021	2019-2020
	KShs	KShs
National government	000	000
International funders	000	000
Public contributions and donations	000	000
Total deferred income	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

	National government	International funders/ donors	Public contributions and donations	Total
Balance brought forward	000	000	000	000
Additions during the year	000	000	000	000
Transfers to Capital fund	(000)	(000)	(000)	(000)
Transfers to income statement	(000)	(000)	(000)	(000)
Other transfers	(000)	(000)	(000)	(000)
Balance carried forward	000	000	000	000

38. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2020-2021	2020-2019
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	000	000	000	000	000
Non-current benefit obligation	000	000	000	000	000
Total employee benefits obligation	000	000	000	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Retirement benefit Asset/ Liability

The entity does not operate a defined benefit scheme for all full-time employees from July 1, 2020.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 30th June 2021. No assumptions were made in the year.

	2021-2020	2019-2020
	Kshs	Kshs
Discount rates	000	000
Future salary increases	000	000
Future pension increases	000	000
Mortality (Pre- retirement)	000	000
Mortality (Post- retirement)	000	000
Withdrawals	00	00
Ill health	00	00
Retirement	00	00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	2020-2021	2019-2020
Description	Kshs	Kshs
The return on defined plan assets	000	000
Actuarial gains/ losses arising from changes in demographic assumptions	000	000
Actuarial gains/ losses arising from 0020 changes in financial assumptions	000	000
Actuarial gains and losses arising from experience adjustments	000	000
Others (Specify)	000	000
Adjustments for restrictions on the defined benefit asset	000	000
Remeasurement of the net defined benefit liability (asset)		000

b) Amounts recognised in the Statement of Financial Position

	2020-2021	2019-2020
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	000	000
Fair value of plan assets(b)	(000)	(000)

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Funded Status(=a-b)	000	000
Restrictions on asset recognised	000	000
Others	000	000
Net Asset or liability arising from defined benefit obligation	000	000

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 200 per employee per month. Other than NSSF the entity does not have any other defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

39. NON-CURRENT PROVISION

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	000	000	000	000	000
Additional Provisions	000	000	000	000	000
Provision utilised	(000)	(000)	(000)	(000)	(000)
Change due to discount and time value for money	000	000	000	000	000
Less: Current portion	(000)	(000)	(000)	(000)	(000)
Total deferred income					

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

40. BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Balance at beginning of the year	000	000
External borrowings during the year	000	000
Domestic borrowings during the year	000	000
Repayments of external borrowings during the year	(000)	(000)
Repayments of domestic borrowings during the year	(000)	(000)
Balance at end of the year	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021	2019-2020
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'	000	000
Sterling Pound denominated loan from 'yyy organization'	000	000
Euro denominated loan from zzz organization'	000	000
Domestic Borrowings		
Kenya Shilling loan from KCB	000	000
Kenya Shilling loan from Barclays Bank	000	000
Kenya Shilling loan from Consolidated Bank	000	000
Total balance at end of the year	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

41b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Short term borrowings(current portion)	000	000
Long term borrowings	000	000
Total	000	000

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

41. SERVICE CONCESSION ARRANGEMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Fair value of service concession assets recognized under PPE	000	000
Accumulated depreciation to date	(000)	000
Net carrying amount	<u>000</u>	<u>000</u>
Service concession liability at beginning of the year	000	000
Service concession revenue recognized	(000)	(000)
Service concession liability at end of the year	<u>000</u>	<u>000</u>

42. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Depreciation	000	000
Non-cash grants received	(000)	(000)
Contributed assets	(000)	(000)
Impairment	000	000
Gains and losses on disposal of assets	(000)	(000)
Contribution to provisions	000	000
Contribution to impairment allowance	000	000
Finance income	(000)	(000)
Finance cost	000	000
Working Capital adjustments		
Increase in inventory	(000)	(000)
Increase in receivables	(000)	(000)
Increase in deferred income	000	000
Increase in payables	000	000
Increase in payments received in advance	000	000
Net cash flow from operating activities	000	000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	000	000	000	000
Receivables from non exchange transactions	000	000	000	000
Bank balances	000	000	000	000
Total	000	000	000	000
At 30 June 2021				
Receivables from exchange transactions	000	000	000	000
Receivables from non exchange transactions	000	000	000	000
Bank balances	000	000	000	000
Total	000	000	000	000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

The entity does not have a significant concentration of credit risk on amounts due.

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	000	000	000	000
Current portion of borrowings	000	000	000	000
Provisions	000	000	000	000
Deferred income	000	000	000	000
Employee benefit obligation	000	000	000	000
Total	000	000	000	000
At 30 June 2021				
Trade payables	000	000	000	000
Current portion of borrowings	000	000	000	000
Provisions	000	000	000	000
Deferred income	000	000	000	000
Employee benefit obligation	000	000	000	000
Total	000	000	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash, debtors)	000	000	000
Liabilities			
Trade and other payables	000	000	000
Borrowings	000	000	000
Net foreign currency asset/(liability)	000	000	000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
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KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash ,debtors)	000	000	000
Liabilities			
Trade and other payables	000	000	000
Borrowings	000	000	000
Net foreign currency asset/(liability)	000	000	000

Foreign currency sensitivity analysis.

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

	Change in currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
Euro	10%	000	000
USD	10%	000	000
2021			
Euro	10%	17,848.80	000
USD	10%	17,848.80	000

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has not been performed bearing in mind that 2020/2021 was the base year.

iii) **Capital Risk Management**

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

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve	000	000
Retained earnings	1,042,992	000
Capital reserve	000	000
Total funds	1,042,992	000
Total borrowings	000	000
Less: cash and bank balances	(000)	(000)
Net debt/(excess cash and cash equivalents)	000	000
Gearing	100%	00%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. RELATED PARTY BALANCES

Nature of related party relationships

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

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

Government of Kenya

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

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

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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	000	000
Rent Income from govt. agencies	000	000
Water sales to Govt. agencies	000	0000
Others (Specify)	000	000
Total	000	000
b) Purchases from related parties		
Purchases of electricity from KPLC	000	000
Purchase of water from govt service providers	000	000
Rent expenses paid to govt agencies	000	000
Training and conference fees paid to govt. agencies	000	000
Others (specify)	000	000
Total	000	000
b) Grants /Transfers from the Government		
Grants from National Govt	000	000
Grants from County Government	000	000
Donations in kind	000	000
Total	000	000
c) Expenses incurred on behalf of related party		

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

Payments of salaries and wages for employees	000	000
Payments for goods and services for	000	000
Total		
d) Key management compensation		
Directors' emoluments	000	000
Compensation to key management	000	000
Total	000	000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

46. SEGMENT INFORMATION

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

47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

	2020-2021	2019-2020
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	000	000
Assets arising from determination of court cases	000	000
Reimbursable indemnities and guarantees	000	000
Others (Specify)	000	000
Total	000	000

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities	000	000
Court case xxx against the entity	000	000
Bank guarantees in favour of subsidiary	000	000
Contingent liabilities arising from contracts including PPPs	000	000
Others (Specify)	000	000
Total	000	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

48. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	000	000
Authorised and contracted for	000	000
Total	000	000

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2020-2021	2019-2020
	Kshs	Kshs
Accelerated capital allowances	000	000
Unrealised exchange gains/(losses)	000	000
Revaluation surplus	000	000
Tax losses carried forward	(000)	(000)
Provisions for liabilities and charges	(000)	(000)
Net deferred tax liability/(asset)	000	000
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	000	000
Credit to revaluation reserve	(000)	(000)
Under provision in prior year	000	000
Income statement charge/(credit)	000	000
Balance at end of the year	000	000

[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING ENTITY

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

52. CURRENCY

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

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

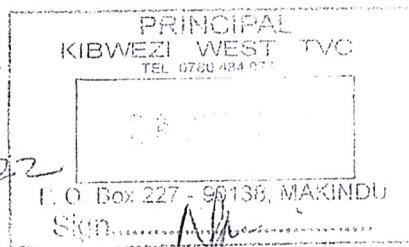
Accounting Officer

Name

MR BENSON K MBEKE

Signature..... *Mbeke*

Date..... *29/6/2022*



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

(Summarize the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expenditure to date	Completion % to date	Budget	Actual	Sources of funds
1	FENCING THE COMPOUND	2,500,000	353,000	50%	2,500,000	1,306,000	Fees
2							
3							

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

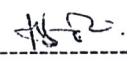
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE		
Break down of Transfers from the State Department of Education				
FY 2020-2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		20 TH NOV 2020	500,000	2020/2021
		17 TH FEB 2021	100,000	2020/2021
		2 ND MARCH 2021	400,000	2020/2021
		Total	1,000,000	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			000	
			000	
			000	
		Total	000	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
			00	
		Total	000	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			00	
			00	
			00	
		Total	000	

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

Finance Officer
Kibwezi West TVC

Sign 

Head of Accounting Unit
Accounting Officer

Sign-----

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
	as per bank statement				Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	20/11/20	Recurrent	500,000.00	000	000	000	000	000	00
Ministry of Education	17/2/21	Recurrent	100,000.00						
Ministry of Education	2/3/21	Recurrent	400,000.00						
Ministry of Education	30/3/21	Recurrent	650,000.00						
Ministry of Education	30/6/21	Recurrent	615,000.00						
Ministry of Education		Development	000	000	000	000	000	000	00
USAID		Donor Fund	000	000	000	000	000	000	00
Ministry of Education		Direct Payment	000	000	000	000	000	000	00
			000	000	000	000	000	000	00
Total	30/6/21		2,265,000.00	000	000	000	000	000	00