

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 JUN 2025	
DAY: Wednesday	
TABLED BY:	Hon. Othen Banya, MP Deputy Leader of the Majority
CLERK AT THE TABLE:	hema

OF

THE AUDITOR-GENERAL

ON

**KENDEGE TECHNICAL AND VOCATIONAL
COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2024



KENYATTA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management
(a) Background information

Kendege TVC is situated in Kegonga South Sub-county within Migori County, 3 kilometres from Kehancha Town in the Nyanza region of Kenya. It is approximately 381 kilometres southwest of the Nairobi City. The land currently occupied by the college was previously set aside as a buffer zone between Kuria and Maasai communities following cattle rustling between the two communities. In 1972 the Kuria community leaders demarcated the 108 acres of land for establishing Abakuria Technical School. The college eventually was started in 2014 as one of the

60 new technical institutions that the Government of Kenya (GOK) recommended to be constructed in every constituency. The intention was to increase access to technical education to ensure that all youths are equipped with employable skills in tandem with the emerging market demand.

Upon completion, the college consisted of a double storey tuition block hosting two (2) workshops, eight (8) classrooms, six (6) administration offices, two (2) instructors' offices, a library, lecture room, staffroom, drawing room, staff kitchen and washrooms. Owing to its strategic location, the GOK has earmarked it as a centre of excellence in mechanical engineering. KTVC received its first students in September 2019. It has so far expanded to offer training programmes at diploma, certificate and artisan certificate levels in the following areas:

- Agriculture and applied sciences
- Automotive engineering
- Building and civil engineering
- Business studies
- Electrical and electronics engineering
- Fashion design & clothing technology
- General agriculture
- Hairdressing & beauty therapy.
- Information Communications Technology (ICT)

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- Mechanical engineering
- Social work and community development

(b) Principal Activities

The core mandate of Kendege Technical & Vocational College is to offer training to Students in technical courses and business courses as per the industry needs as examined by KNEC .

3. VISION

A college of choice in the development of technical and vocational skills.

4. MISSION

To offer quality training in collaboration with industry to produce competent graduates.

5. CORE VALUES

Co-operation

Respect and Tolerance

Integrity

Creativity and

Innovativeness

Professionalism

6. MOTTO

Competency and Honesty

(c) College Governance

Kendege Technical and Vocational College is managed by the Board of Governors, appointed by The Cabinet Secretary in charge of Education. The B.O.G. provides leadership in; policy direction and ensures that the institutes programmes and activities are in line with its mandate and set objectives. The principal is the secretary to the Board and executes all policies in line with the institute's core mandate. The principal is assisted by the deputy principal.

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(d) Fiduciary Management

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

No.	Designation	Name
1	Principal	Otara N. Oreti
2	Deputy principal Academics/ Finance	Kenneth Kahi Kinyangi
3	Registrar (s)	Esther Mwise
4	Dean of students	Erick Ogega
5	Head of Finance	Rioba Samwel
6	Quality Assurance	Job Momanyi
7	Procurement Officer	Jackline Machera

(e) Fiduciary Oversight Arrangements

The college has two oversight committees:
General purpose and Finance and committee
Education, Research and Training committee

(f) Entity Headquarters

KENDEGE TECHNICAL AND VOCATIONAL COLLEGE
P.O. Box 37-40413
KEHANCHI-KENYA
KENDEGE Building
KEHANCHI - KEGONGA
Highway KURIA-EAST

(g) Entity Contacts

Telephone: (254) 741790941
E-mail:
kendegetvc@gmail.com
Website:
www.kendegetvc.ac.

(h) Entity Bankers

Kenya Commercial Bank-Kisii West
P.O. Box 4517-40200
KISII

Kenya Commercial Bank-Kehancha
P.O. Box 74-40413
SUNA MIGORI

(i) Independent Auditors

Auditor General

Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

3.The Board of Governors

No.	Member/ Director	Details
1.	Prof. Peter Mwita Nyamuhanga. BOG Chairperson  PHD, MSC, BSC.	Date of birth: 1968 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: PhD in Statistics Work Experience: Vice Chancellor Kaimosi University college , Deputy Vice Chancellor (Research, Innovation and Linkages) and full Professor of Statistics at Machakos University. Was founding Chairman of the Kenya National Bureau of Statistics Board, founding Chairman of Kenya National Statistical Society and Council member of Multimedia University of Kenya.
2.	Sandra Boke Nyangoko Member  Qualification BSc. Mechatronics Engineering 1. Registered Graduate Engineer Engineer's Registration Board Serial No. B5634 2. Diploma in Supply chain management Alison	Date of birth: 13th April 1984 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: BSc. Mechatronics Engineering Engineering Board of Kenya Graduate Engineer. Work Experience: 1. July 2021-Date DrunTech Development E.A Ltd Operations Manager 2. Jan 2018-June 2021 Sanergy Ltd Technical lead & procurement partner (Inbound Customer Success) 3. April 2016-Dec 2017 DrunTech Development E.A Ltd Technical & Procurement Lead

	3. Certified Tower Climbing Spectrum Engineering Ltd.	4. Jan 2009-March 2016 Mather & Platt (K) Ltd Fire systems Manager Project Engineer
3.	Mr. Maurice Livingstone O. Owili Member  Master of Philosophy (M.Phil.)	Date of Birth: 10th August, 1968 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification On-going PhD in Environmental Planning and Management Master of Philosophy in Environmental Studies (Environmental Information Systems) Bachelor of Technology in Education (Btech) Mechanical Engineering Experience Coordinator Performance Contract, ISO and Strategic Planning (2019 – Date) Coordinator Performance Contract, ISO, Resource Mobilization and Strategic Planning (2013 – 2019) Deputy Principal – Bushiungal T.T.I (2012 -2013) Deputy Principal – Ramogi Institute of Advance Technology (RIAT) (2011 – 2012) Deputy Principal – Moi Institute of Technology (MIT) (2007 – 2011)

4.	LEAH A. AUMA Member  Qualification: Msc Entrepreneurship Jomo Kenyatta University of Agriculture and Technology.	Date of birth: 6th October 1982 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: Msc Entrepreneurship Jomo Kenyatta University of Agriculture and Technology. Bsc Biochemistry and Molecular Biology (JKUAT) Extensive training on MSME financing and development, Women World Banking (IFC), credit risk management, Financial statement analysis and Leadership essentials and development.
		Work Experience: Seasoned banking with fourteen years' experience in both traditional and Fintech banking, with a proven track record of impactful change through sustainable business practices. Currently serving as a Branch Manager, KCB Bank Kenya Limited charged with managing overall branch operations, delivery of excellent customer experience, relationship manageen, portfolio management, budgeting, internal controls and risk management and team leadership.

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5.	Alfred Anakalo Shitandi Member  Qualification Phd	Date of birth: 20th March 1963 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: PhD Work Experience: 32 years in Education Administration and Teaching and Research at University level
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6.	Benard Onserio Masita Member  Qualification 1. Master of Information Systems 2. BBAM – Mgt Science 3. HND Mgt Infor. Systems	Date of birth: 15th February 1973 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: Work Experience: 25 Years ICT
7.	Name: CPA Chacha Mogaya Member  Qualification Master's in business administration – Finance Option	Date of birth: 17th April 1978 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: MBA (finance) Bcom – Finance, CPAK Work Experience: Chacha is currently working for BOMA a local NGO operating in the dry lands of Africa. He is based at the headquarters in Nairobi as the Director of Finance and Administration responsible for ensuring the effective and efficient financial, administrative, and operational support functions. Previously he has held the following position with BOMA 2018 to 2020 as a Finance Manager, 2020 to 2022 Finance and Administration Manager. Chacha has worked as the Country Finance Manager while at the Norwegian Refugee Council for South Sudan and Yemen. Chacha has a lot of experience within the region and horn of Africa

8.	Dr. John Osoro County Director TVET  Master of Education in Curriculum Studies and PHD.	Year of Birth: 1970 Qualification and Experience: Dr. Osoro Nyangweta is currently the Regional Director of TVETS, He has worked for 16 years in the Ministry of Education. He gained vast experience in quality assurance, research, data processing and technical Education at helm of Education in Kenya. He has published multiple concept papers in renowned international journals of high reputation. He has also worked as a part-time lecturer in the University of Nairobi and Rongo University.
9.	Mr. Otara N. Oreti  Principal/Secretary BOG	Year of Birth: 12/01/1971 Qualifications: Master's Degree in Banking and Business Economics Bachelor of Commerce, PGDE Senior ,Management Course (SMC) Experience Principal/ Secretary BOG-Kendege Technical and Vocational College

4. Key Management Team

No.	Member	Details
1.	Mr. Oreti N. Otara  Principal/BOG Secretary Master's Degree in Banking and Business Economics Bachelor of Commerce PGDE Senior Management Course (SMC)	The Principal is the Chief Executive Officer responsible for all operations. She is charged with College improvement and planning, Strategic Planning, Staff Development, leadership and Compliance. Mandatory Signatory to all bank accounts and Secretary to the Board of Governors.
2.	Mr. Kenneth Kahi Kinyangi  Deputy Principal BS Agricultural Extension and Education	Mr. Kenneth Kahi Kinyangi deputizes the principal and he is in charge of curriculum implementation and discipline. He ensures academic time tables are made in time. Also ensures that the lessons that appear on the time table are adequately taught.

3.	Ms. Esther Mwise Mariba  Ag. Registrar BBM Finance & Banking	Ms. Esther Mwise Mariba ensures that term programmes, students who apply for courses in the institute meet the relevant requirements for admission. She is also in charge of marketing of institute courses to ensure increase in enrolment.
4.	Mr. Erick Maranga Ogega  Ag. Dean of Students BSc. Electrical engineering and Electronics	Mr .Erick Maranga Ogega is the Dean of Students who is in charge of student affairs i.e. processing boarding issues like accommodation and disciplinary cases.
5.	Mr. Rioba Samwel  Finance Officer ICPAK	CPA Rioba is in charge of institution finances, preparing financial reports and give financial advisory to the institution.

5. Chairman's Statement

I have the pleasure to present an overview of the institute's performance for the financial year ending 30th June 2024. Notwithstanding the challenges facing Technical and Vocational colleges, I am proud to declare that Kendege Technical and Vocational College continues to implement and focus on its mission and objectives.

Academically, the institute has made excellent progress and it's clear that the institute's long-term strategic plan is now yielding results. We have improved and increased examinable courses, training materials and equipment and human resource capacity, all these with the aim of providing affordable training programme delivery as we adhere to quality assurance standards so as to satisfy industry and community needs.

These achievements reflect the enormous hard work of our staff over a period of time. They also reflect the commitment of Board of Governors to the academic strategy and to securing the institute's financial sustainability.

I wish to finally thank the Government of Kenya, Ministry of Education state department of TVET, fellow Board Members, management and staff for their dedication and participation over the financial year in striving to make Kendege TVC globally competitive Technical and Vocational training college for trainees in the region.



PROF. PETER NYAMUHANGA MWITA
BOARD CHAIRPERSON
ON BEHALF OF BOARD OF GOVERNORS

6. Report of the Principal

Presented here is the yearly report and financial statements of Kendege TVC for the year ended 30th June 2024 as required by the Public Finance Management Act, 2012.

Kendege TVC's performance during the year under review is impressive. The Government capitation still remains as the institute's main source of income.

The college has continued with its core business of disseminating knowledge through, training and innovation. The current trainee population has increased from 553 to 750 and is expected to increase further to 964 by the end of the next financial year.

Development partners projects

Currently there is no major on-going development project. However, we have Beekeeping, maize farming that we are currently involved in. We also have constructed 5 makeshift class room within the college.

Income.

Kendege Technical and Vocational College received a total of Ksh. **36,135,508**. Out of which; Ksh 15,591,491 was the amount received from capitation, Ksh 962,150 from maize farming and ksh **19,581,867** as rendering services.

Expenses

The Technical College incurred a total of Kshs **33,035,238** in recurrent expenditure for the financial year 2022/2023.

Staff Members

Population for both teaching and the non-teaching staff stood at 45 at the close of fourth quarter for the financial year 2023/2024 and is expected to rise for both academic and administrative staff in the financial year 2023/2024.

Gender Distribution; Male 33 and Female 12.

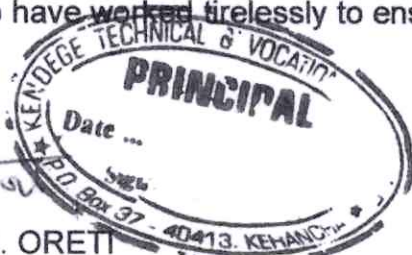
Conclusion

On behalf of Kendege TVC management and staff, I wish to take this opportunity to thank the Government, our Development partners and all Stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the College Board of Governors to help provide, policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the college.

Thank you.


OTARA. N. ORETI
PRINCIPAL/ C.E.O.



7. Statement of 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.

Kendege Technical and Vocational College had the following strategic pillars/issues/themes and objectives in the FY 2023/2024.

Cultivate dynamics training experiences that evolve with the market demands. Kendege Technical and Vocational College cultivated its training experiences to the market demand dynamics, by focusing on trainings that goes with market trend both locally and globally.

Enhance students' enrolment and retention, Kendege Technical and Vocational College had devised on various ways of students enrolment and retention, since there is a lot of competition for other higher and tertiary learning institutions retaining students sometimes become a bit challenge. Kendege has ensured that all the enrolled students get quality training, learning materials and conducive learning environment.

Advancing technical training through partnerships and alliances with external stake holders, Kendege Technical and Vocational College has been partnering and making alliances with stake holders to advance technical training through exchange of programmes with stakeholders.

Improve on the infrastructure and learning environment to strengthen Kendege Technical and Vocational College financial sustainability, currently we have built 5 makeshift class room this will accommodate the increase number of students. Kendege Technical and Vocational College has bought modern training materials. Utilize modern technology to improve operation processes and promote an environment of innovation.

Retain a competent and motivated workforce, Kendege Technical and Vocational College has a draft of human resource policy that provides guidelines on how to recruit, motivate and retain a competent staff. By doing this Kendege Technical and Vocational College has been able to recruit competent staff and retain them by providing them with a good working environment, recognising their effort and appreciating the employees this has made employees to remain loyal to the institution.

8. Corporate Governance Statement Board

meetings held

Kendege TVC board held a total of sixteen (20) sittings both full board and committee in the FY2023-2024. The attendance of those sittings was good at 96 per cent. The Kendege TVC board achieved most planned activities. However, some of the planned activities were not implemented due to inadequate funds available.

Succession plan

Three months to the expiry, a proposal of the board will be done by nominations. As at the time of reporting the institute had done a proposal to the nominees expected to take office immediately, they are approved by the minister for Education.

Service delivery charter

Kendege TVC has an approved service delivery charter in place.

Roles and functions of the board

The Kendege TVC board has a role to plan for the college activities and oversight the implementation of the same.

Induction and training

Our college and other TVC and TTI in Migori County undertook Training in CDACC/CBET curriculum at Mabera TTI in May 2024, where 35 trainers were trained.

Board and member performance

During the FY2023/2024, The Kendege BOG held nine meetings. The major achievements include;

- Improvement in teaching and learning facilities.
- Increased enrolment.
- Developed a five-year strategic plan
- Developed institution's policies

Conflict of interest

In the FY2023/2024, the Kendege TVC board was asked to declare conflict of interest any time they had a meeting but none was declared.

Board remuneration

Kendege TVC board utilised a total of Ksh 1,844,000. This total comprises of sitting allowances plus transport allowances paid during the financial year

Ethics and conduct as well as governance audit

The board members adhered to public officer's ethics Acts 2003 while performing their duties during the financial year under review.

Governance audit

Kendege TVC developed a strategic plan which is now in use. Hence it can now be used as a tool to measure

9. Management Discussion and Analysis

Key projects and investment decisions the entity implemented

Kendege technical and vocational college implemented three key projects that contributed to generation of additional income. These projects are:

Maize Farming.

The College piloted on maize farming by planting on 10 acres piece of land. The College invested Ksh.860,450 into the project and was anticipating for good returns. However due to the challenges of weather issues, the institute managed to realize Ksh. 962,150. For better returns in future, the college intends to employ better farming and management practices in the next financial year.

SECTION D

Major challenges facing the entity

Inadequate infrastructure to support increasing number of students.

At the moment, Kendege technical and vocational college is experiencing the following risks Unreliable power supply

Inadequate learning space

Lack of accommodation for
students No secure fence

Inadequate staffing (Teaching and Non-Teaching)

SECTION E

Material arrears in statutory/ financial obligations

Kendege TVC Complied adequately to the deduction and remittance of the statutory deduction to the relevant authorities for the better and benefit of its BOG staff. And therefore had no pending arrears with regards to the statutory deductions.

SECTION F

The entity's financial probity and serious governance issues

There has been no any financial probity by the following bodies at Kendege technical and vocational college:

1. Board audit committee
2. Internal audit
3. External audit or even
4. National government providing oversight.

There is no conflict of interest by the top management of the institution or even any interest that may thwart proper governance of the institution that may lead to under performance of the board in place.

10. Environmental and Sustainability Reporting Statement

Kendege TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first by delivering relevant services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

Achievement

- Increased student enrolment.
- Fair KNEC examination result.
- Increased learning material (welding machine, Sewing machine and dead motor engine)
- Good gender balance in employment.
- Equipping the library with text books.
- Inclusivity in terms of employment.
- Establishing a library and equipped it with computers for online learning and deploying staff to man it.

Failures

- Inability to initiate viable resource mobilization

- Inability to collect 100% school fee.
- Lack of adequate infrastructural development.
- Inability to set up makeshift workshop for engineering departments.

Environmental performance

- The college planted more than 1,000 tree seedlings.
- The college procured one grass cutter which is used to maintain the college ground.

Employee welfare

- Currently the college has no human resource policy. The current gender ratio is 6:5 in favor of men which is within the approved legal standards.
- The human resource development is allowed for the staff where trainers and support staff are allowed to further their studies.
- Trainers are appraised annually as per the public service performance appraisal system.
- The building is equipped with fire extinguishers in strategic

Responsible competition practice.

All interested parties who were interested to do business with the institution were given an opportunity and the best out of those interested were hired for service.

The institution has no political favorites but welcomed all who had support to give to the institution without discrimination.

Product stewardship

The Kendege students are given the freedom to do courses of their choice and trainers ensure they have received adequate training in readiness for exams and industry.

Responsible marketing and advertisement

Kendege TVC carried out aggressive marketing of the college in Kuria East and West sub counties through FM radio Station (Radio Togotane). Further there was distribution of brochures, posters to the residents in market places and career fairs/ exhibitions.

We advertised and recruited suppliers on competitive basis through posters, WhatsApp and the college website

The Area MP Hon. Kitayama Maisori assisted to mobilize parents to bring their student to school by paying kshs.13,000 per student admitted in may intake

Responsible Supply chain and supplier relations

We also maintained good relationship by adhering to Public Procurement and Disposal Act of 2015.

In the FY 2023-2024, we sourced for quotations and we chose the best among those quotations to supply goods and services that were required. Once goods were received, and the user department was satisfied we promptly paid the suppliers.

Corporate Social Responsibility / Community Engagements

- During bereavement in the community the college sent representations and financial support.

Kendege Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2024

- The Kendege college family has assisted some students who are facing financial challenges.
- The College has established a demonstration farm from which members of the community and students learn.

11. Report of Board of

Governors Principal activities

The principal activity of Kendege Technical and Vocational College is to offer technical and business courses to various students in the republic without discrimination on gender, race or even physical appearance.

7. BOARD OF GOVERNORS

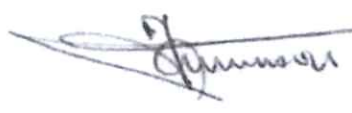
The members of the Board who served during the year are shown on page vii to page xi. During the year, director was transferred DR, Tom Olango new one came DR John Osoro.

Auditors

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

The external audit was carried out for the financial year

202/2023. By Order of the Board


**Secretary of the
Board/Council**

Date:



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

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

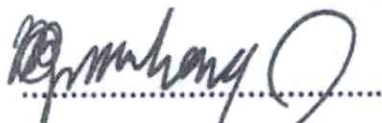
The board members are responsible for the preparation and presentation of Kendege TVC's financial statements, which give a true and fair view of the state of affairs of Kendege for and as at the end of June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Kendege; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Kendege'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 Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The council members are of the opinion that Kendege's financial statements give a true and fair view of the state of Kendege's transactions during the financial year ended June 30, 2024, and of Kendege's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for Kendege, which have been relied upon in the preparation of Kendege's financial statements as well as the adequacy of the systems of internal financial control.

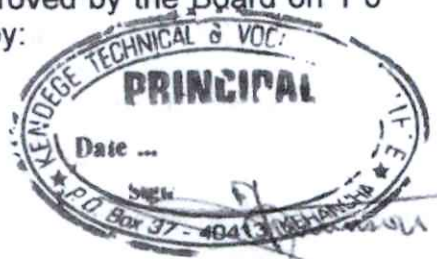
Nothing has come to the attention of the board members to indicate that Kendege will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Kendege financial statements were approved by the Board on 10th October, 2024 and signed on its behalf by:



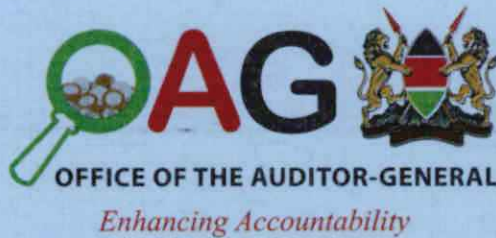
Peter Mwita Nyamuhanga
Chairperson of the Board/Council



Otara. N. Oreti
Accounting Officer/Principal

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kendege Technical and Vocational College set out on pages 1 to 55, which comprise the statement of financial

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

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

Basis for Qualified Opinion

1.0. Unsupported Transfers from Other National Government Entities Amount

The statement of financial performance reflects transfers from other National Government entities amount of Kshs.15,591,491 which, as disclosed in note 6 to the financial statement, relates to capitation grants. However, there were no validated capitation beneficiaries' allocation lists and receipts issued out to the beneficiaries, making it impossible to establish if the allocation was done within 14 days from the date of the disbursement letter. In addition, there was no evidence to confirm that capitation returns were done within 14 days from the disbursement dates. This was contrary to requirements of the Ministry of Education, State Department of Vocational and Technical Training Technical Education Guidelines on capitation allocation and accountability.

In the circumstances, the accuracy, completeness and fair presentation of the transfers from other National Government entities amount of Kshs.15,591,491 could not be confirmed. Also, Management may have breached the Ministry of Education Guidelines on capitation allocation and accountability.

2.0. Unsupported Travelling and Accommodation Expenses

The statement of financial performance reflects use of goods and services amount of Kshs.21,214,884 which, as disclosed in Note 15 to the financial statements, includes travelling and accommodation amount of Kshs.4,299,700 out of which, payments totaling Kshs.612,400 were not supported with payment vouchers, signed payment schedules, signed daily attendance registers, evidence of travel in the form of work tickets, bus or train tickets and back to office reports

In the circumstances, the accuracy, completeness and propriety of the travelling and accommodation expenses of Kshs.612,400 could not be confirmed.

3.0. Unsupported Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.3,956,244 whose supporting contract agreements for contractual staff employees and casuals, master rolls, payroll and the casual's attendance registers were not provided for audit. Further, as disclosed in Note 16 to the financial statements, the amount of Kshs.3,956,244 includes HELB, NSSF, PAYE and NHIF amounts of Kshs.43,299, Kshs.44,360, Kshs.55,667 and Kshs.109,630 respectively, whose supporting schedules were not provided for audit. In addition, the management did not provide a list of staff who were recruited and those who exited the service during the year under review.

In the circumstances, the accuracy and completeness and of the employee costs amount of Kshs.3,956,244 could not be confirmed.

4.0. Unsupported Board Expenses

The statement of financial performance reflects Board expenses amount of Kshs.1,844,000 which includes Kshs.983,000 whose supporting notices of the meetings, the approved rates for allowances, the eligibility criteria, Board meetings' minutes and duly signed attendance registers were not provided for audit. Further, there no evidence was provided to show that Pay as You Earn (PAYE) was deducted from the allowances and remitted to the Kenya revenue Authority. It was also not clear why the chairman's honoraria were not disclosed in the financial statements.

In the circumstances, the accuracy, completeness and propriety of the Board expenses amount of Kshs.1,844,000 could not be confirmed.

5.0. Long Outstanding and Unsupported Receivables from Exchange Transactions Balance

The statement of financial position, and as disclosed in Note 27(a) to the financial statements, reflects a balance of Kshs.38,703,600 in respect of current portion of receivables from non-exchange transactions. As disclosed in the aging analysis in Note 27(c) to the financial statements, the balance had been outstanding for more than two (2) years. Further, no detailed aging analysis, ledger and other supporting documents were provided for audit review. In addition, the college did not have a credit policy and no evidence was provided on recovery efforts made.

In the circumstances, the accuracy, completeness and recoverability of current portion of receivables from exchange transactions balance of Kshs.38,703,600 could not be confirmed.

6.0. Unsupported Receivables from Non-Exchange Transactions Balance

The statement of financial position, reflects receivables from non-exchange transactions balance of Kshs.16,494,645 which, as disclosed in the aging analysis in Note 28 (a) to the financial statements, includes Kshs.11,937,000 that had been outstanding for over one (1) year. Further, a detailed aging analysis was provided for audit. In addition, the College did not have a credit policy to guide on recoverability, provision for bad and doubtful debts and on determination and write of bad debts among others.

In the circumstances, the accuracy, completeness and recoverability of receivables from non-exchange transactions balance of Kshs.16,494,645 could not be confirmed.

7.0. Unconfirmed Valuation of Inventories

The statement of financial position, reflects inventories balance of Kshs.189,119, while the supporting Note 29 to the financial statements shows nil balance, resulting in an unreconciled variance of Kshs.189,119. Further, the inventory and stock taking report for the year under review was not provided for audit, contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the Head of Procurement Function to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the Accounting Officer.

In addition, review of stores processes and records provided revealed lack of reliable stores ledger, items or stores issuance records, goods received notes/stores receipt notes, sample stock sheets and prior year inventory reports among others.

In the circumstances, the accuracy, completeness the reported inventories balance could not be confirmed. Also, Management was in breach of the law, and the effectiveness of internal controls over inventories could not be confirmed.

8.0. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position, and as disclosed in Note 32 to the financial statements, reflects property, plant and equipment (PPE) balance of Kshs.128,305,623. However, as reported in the previous year, a stakeholders meeting held on 30 October, 2020 resolved that a total of thirty (34) acres be hived off from the College's land and be given to Kenya Prisons (20 acres), Kendege Primary School (4 acres) and Kendege Secondary School (10 acres). However, ownership of these hived off parcels of land had not been transferred as at the time of audit on 25 March, 2025.

Further, audit inspection revealed that the computers, ICT equipment, furniture and fittings plant and machinery, office equipment among other assets had not been tagged for ease of identification and tracking.

Also, review of document provided for audit revealed that the College had not insured its assets, as required by Paragraph 80 (3) of the National Treasury Guidelines on Asset and Liability Management in the Public Sector, March 2020

In the circumstances, the accuracy, completeness and fair presentation of the reported Property, plant and equipment balance of Kshs.128,305,623 could not be confirmed.

9.0. Non-compliance to Prescribed Financial Reporting Framework

The statement of comparison of budget and actual amounts does not have budget notes to explain material variances (over/below +/- 10%) as required. Also, the actual amounts reflected in the statement are on accrual since they equal those reported in the statement of financial performance.

This is contrary to the prescribed reporting template which requires the statement to cash based.

In the circumstances, the statement of comparison of budget and actual amounts does not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board in accordance with the provisions of Section 81(3) of the Public Finance Management Act, 2012 and, therefore, Management was in breach of law.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative of budget and actual amounts reflects income budget and actual on comparable basis amounts of Kshs.67,832,640 and Kshs.36,135,508 respectively, resulting in underfunding of Kshs.31,697,132 (or 47% of the budget). Similarly, the College spent Kshs.28,850,668 against actual revenue of Kshs.36,135,508, resulting in under-utilization of Kshs.7,284,840 or 20%.

Further, the College did not maintain a vote book, contrary to Regulation 52(1)(d) of the Public Finance Management (National Government) Regulations, 2015, which states that when the authority to incur expenditure is issued by the Ministry or State Department or Agency, the allocation shall be entered as a commitment in the Ministry's or State Department's or Agency's master vote book so as to ascertain at all times the availability of uncommitted funds.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on learning in the College. Also, Management was in breach of the law for not maintain a vote book.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues.

Further, although some of the prior year audit matters are said to have been resolved as indicated in the Implementation Status of Auditor-General Recommendations, Management has not provided evidence showing how these issues were resolved.

Other Information

The Management is responsible for the other information set out on page iii to xxii which comprises Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermine Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Late Submission of Financial Statements to the Auditor-General

The College's financial statements for the year ended 30 June, 2024 were submitted to the Office of the Auditor-General on 7 November, 2024, a month and seven days after the statutory deadline date of 30 September, 2024. This was contrary to Section 47(1) of Public Audit Act, 2015, which requires a public entity to submit the financial statements to the Auditor-General within three months after the end of the financial year to which the respective accounts relate.

2.0. Non-compliance with the Law on Ethnic Diversity in Staffing

Review of employees' records revealed that out of the forty-five (45) employees of the College, comprising thirty-eight (38) teaching staff and seven (7) non-teaching staff, twenty-six (26) or 58% were from one ethnic community. This was contrary to Section 7(1) and Section 7(2) of the National Cohesion and Integration Act, 2008 which, require all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and ensure that not more than one-third of its staff are from the same ethnic community.

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

3.0. Improperly Constituted Board of Governors

Review of the Board of Governors records revealed that the composition of the Board did not include a representative of the County Governor of Migori County where the College is located. This was contrary to Section 1(2)(c) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located. Further, the Board of Governors (BOG) members possessed only acceptance letters and lack formal appointment letters for the year under review.

In the circumstances, the Board of Governors was in breach of the law and the effectiveness of governance in the College could not be confirmed.

4.0. Irregular Procurements - Makeshift 5-Classroom House

Review of records revealed that the College undertook to build five (5) makeshift classrooms through labour-based program and spent Kshs.1,200,000 on the project during the year under review. However, guidelines in regard to the labor-based program arrangement and the requisite approval justifying the same were not provided for audit review.

Further, the project was not completed as per the drawing provided for audit despite the fact that the allocation on the vote of Kshs.1,200,000 had been fully utilized as at the time of conclusion of our audit on 25 March, 2025. The outstanding works included floor works, doors and windows.

In addition, the works had no bill of quantities, quantified and certified before payments were made. Also, there was no report from the Inspection and Acceptance Committee.

In the circumstances, the regularity and value for money of the expenditure of Kshs.1,200,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0. Unsupported Rendering of Services – Fees from Students Amount

Audit review revealed that the College used Microsoft Excel to record fees collections, an indication of weak controls over invoicing and collection of fees. The Microsoft Excel sheets lacked audit trail and segregation of duties as one officer was responsible for invoicing and updating fees records upon fees payment.

In the circumstances, the existence of effective controls over collection and recording of revenue could not be confirmed.

2.0. Lack of Approved Staff Establishment and Human Resource Manual

The College however does not have an approved staff establishment contrary to the Ministry of Education: State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 on staff establishment and justification for Technical and Vocational Education and Training (TVET) Institutions, which requires the institutions to develop a staff establishment with, clear justifications for consideration and approval by the Public Service Commission. Also, the college has no HR Manual and established HR office for HR recruitments and other HR functions. In the circumstances, the College is in breach of the Law. Further, the College did not have Human resource department or function in place.

In addition, there were inadequate internal controls over staff management, including the oversight of leave rosters, confirmation of staff attendance, and human resource planning, among other critical aspects of human resource management.

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

3.0. Risk Management- Lack of Enterprise-wide Risk Management (ERM) and Risk Policy

Though the College had compiled some risk register for the year, there was no evidence of risk policy and if enterprise-wide risk management was effectively working or fully operational.

In the circumstance, the effectiveness of risk management in the College could not be confirmed.

4.0. Lack of a Procurement Function

During the year under review, the Management had not put in place a procurement function including recruitment of a Procurement Officer, to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws. For this reason, procurement of goods and services was done without use of tender documents including quotations, tender registers, tender opening/ evaluation reports and notification of award. Failure to establish a procurement function is a contravention of Section 45(1) of the Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the effectiveness of governance in the College could not be confirmed.

5.0. Non-Functional Human Resource Department

It was noted that the College did not have a functional Human Resource department, which is necessary for staff enrollment and motivation. While the functions of human resources were documented in the policy, there were no office bearers accountable for these functions.

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

6.0. Information, Communication and Technology (ICT) Environment

Audit review of the College's ICT environment revealed that there was no formal approved ICT policy in place during the year under review, which includes data security policy, and disaster recovery plans. Further, the Institute's ICT structure was not provided for audit review. In addition, during the year under review, the Institute did not have an Information Technology (IT) steering committee for ensuring effective IT controls and strategies.

In the circumstances, the security and reliability of the Institute's data including its management information system could not be ascertained.

7.0. Ineffective Petty Cash and Imprest Management System

Review of accounting records revealed lack of clear management of the petty cash/imprest management system as outlined below:

- i. All imprests were not recorded in the imprest register. No imprest register was maintained to record all imprests issued, surrendered and outstanding balances.
- ii. Officers were paid per diem and travel allowances directly to their bank accounts without the use of imprest warrants. This is contrary to Regulation 93 of the Public Finance Management (National Government) Regulations, 2015 which requires temporary imprests to be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses

- iii. It was noted that various activities were undertaken throughout the financial year without prior approvals. In circumstances, it is not possible for the Management to prevent activities that are not objective and strategic to the goals of the College.
- iv. Review of the Imprest registers revealed that some officers took multiple imprests during the year which sometimes overlapped contrary to Section 93(4) (b) of the Public Finance Management Regulations (2015) which states that before issuing temporary imprest under paragraph (2), the Accounting Officer shall ensure that the applicant has no outstanding imprests.
- v. Imprests were issued, but no surrender documents were available for audit verification. This lack of accountability exposes the institution to potential loss of funds and indicates a failure in prudent financial management practices.

In the circumstances, the effectiveness of petty cash and imprest management could not be confirmed. Also, Management was in breach of the law by issuing multiple imprests.

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

Responsibilities of the Management and the Board of Governors

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

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

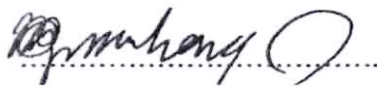
Nairobi

8 May, 2025

8. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	15,591,491	15,880,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		15,591,491	15,880,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	19,581,867	15,022,600
Sale of goods	11	962,150	511,870
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	-	-
Revenue from Exchange transactions		20,544,017	15,534,470
Total Revenue		36,135,508	31,414,470
Expenses			
Use of goods and services	15	21,214,884	6,918,884
Employee costs	16	3,956,244	4,222,319
Board /Council Expenses	17	1,844,000	1,357,000
Depreciation and amortization expense	18	-	960,794
Repairs and maintenance	19	1,835,540	752,063
Administration Cost		-	96,940
Farm cost	20	-	945,600
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		28,850,668	15,253,600
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		7,284,840	16,160,870

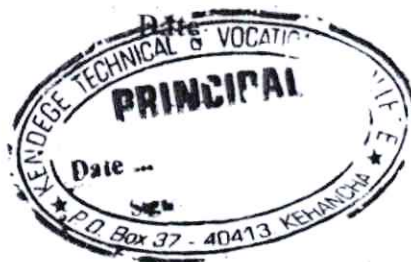
Kendege Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024



Chairman of Council/Board
Peter Mwita Nyamuhanga
Date



Principal
Otara N. Oreti



Finance Officer
ICPAK No 31723
Date

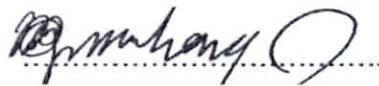
Kendege Technical and Vocational College
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9. Statement of Financial Position As At 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs.	Kshs.
Assets			
Current Assets			
Cash and cash equivalents	26	206,426	1,074,548
Current portion of receivables from exchange transactions	27(a)	38,703,600	36,345,435
Receivables from non-exchange transactions	28	16,494,645	11,937,000
Inventories	29	189,119	-
Investments in financial assets	30	-	-
Prepayments	31	-	-
Total Current Assets		55,593,790	49,356,983
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	32	128,305,623	46,501,490
Intangible assets	33	-	-
Investment property	34	40,000	-
Biological Assets	35	1,010,000	-
Total Non-Current Assets		129,355,623	46,501,490
Total Assets (A)		184,949,413	95,858,473
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	761,035	795,805
Refundable deposits from customers	37	-	-
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income	40	-	-
Employee benefit obligation	41	-	-
Payments received in advance	42	240,000	438,080
Current portion of borrowings	43	-	-
Social Benefits	46	-	-
Total Current Liabilities		1,001,035	1,233,885

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Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities		-	-
Total Liabilities (B)		1,001,035	1,233,885
Net Assets (A-B)		183,948,378	94,624,588
Represented By:			
Revaluation Reserves		82,038,950	-
Accumulated Surplus		68,463,093	61,178,253
Capital Fund		33,446,335	33,446,355
Net Assets		183,948,378	94,624,608



Chairman of Council/Board
Peter Mwita Nyamuhanga
Date



Principal
Otara N. Oreti
Date


FINANCE OFFICER
KENDEGE TECHNICAL & VOCATIONAL COLLEGE
25 APR 2023
Finance Officer

ICPAK No 31723
Date



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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022		45,017,383	33,446,335	78,463,718
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	16,160,870	-	16,160,870
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	61,178,253	33,446,335	94,624,588
At July 1, 2023	-	61,178,253	33,446,335	94,624,588
Revaluation gain	82,038,950	-	-	82,038,950
Surplus/(deficit) for the year	-	7,284,840	-	7,284,840
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	82,038,950	68,463,093	33,446,335	183,948,378

Kendege Technican and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

11. Statement of Cash Flows For The Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		11,033,846	5,508,000
Grants from donors and development partners		-	-
Capitation grant		-	1,000,000
Public contributions and donations		-	-
Rendering of services- fees from students		17,221,320	7,021,211
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Farm income		962,150	511,870
Miscellaneous income		-	-
Total Receipts		29,217,316	14,041,081
Payments			
Use of goods and services		21,249,654	6,683,688
Employee costs		3,956,244	4,222,319
Board /Council Expenses		1,844,000	1,357,000
Repairs and maintenance		1,835,540	752,063
Farm cost		-	945,600
Administration cost		-	96,940
Total Payments		28,885,438	14,057,610
Net Cash Flows from operating activities	47	331,878	(16,529)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Makeshift Classroom		(1,200,000)	
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(1,200,000)	-
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(868,122)	(16,529)

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Cash and Cash equivalents at 1 JULY	26	1,074,548	1,091,0
Cash and Cash equivalents at 30 JUNE	26	206,426	1,074,548

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

Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance Difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	8,800,000	-	8,800,000	15,591,491	(6,791,491)	-77
Grants from donors and development partners	-	-	-	-	-	0
Transfers from other levels of government CDF	2,500,000	-	2,500,000	-	2,500,000	100
Development Grant	20,000,000	-	20,000,000	-	20,000,000	100
Rendering of services- fees from students	35,657,640	-	35,657,640	19,581,867	16,075,773	45
Production Unit	800,000	-	800,000	962,150	(162,150)	-20
Rental revenue from facilities and equipment	-	-	-	-	-	0
School Ids	75,000	-	75,000	-	75,000	100
Miscellaneous Income	-	-	-	-	-	0
Total Income	67,832,640	-	67,832,640	36,135,508	31,697,132	47
Expenses						
Employee costs	6,996,432	-	6,996,432	3,956,244	3,040,188	43
Board /Council Expenses	2,100,000	-	2,100,000	1,844,000	256,000	12
Repairs and maintenance	1,819,800	-	1,819,800	1,835,540	(15,740)	-1
Infrastructure Development	8,300,000	-	8,300,000	-	8,300,000	100
Production Unit	675,500	-	675,500	-	675,500	100
Development grant	20,000,000	-	20,000,000	-	20,000,000	100
Depreciation	-	-	-	-	-	0
Use of goods and services	27,940,908	-	27,940,908	21,214,884	6,726,024	24
Total Expenditure	67,832,640	-	67,832,640	28,850,668	38,981,972	57
						-
Surplus For the Period	-	-	-	7,284,840	(7,284,840)	-
Capital Expenditure						

13. Notes to the Financial Statements

1. General Information

Kendege Technical and Vocational College is established by and derives its authority and accountability from tvet Act 2015. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is offering training to students in different courses.

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 Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, 2015 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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	the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.

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IPSAS 48: Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

Kendege TVC did not early adopt any new or amended standards in year 2023/2024. The entity adopted standard - and xx--. The impact of these standards on entity's financial statements is -

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **14/4/2023**. 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 to conclude the final budget. Accordingly, the entity recorded additional appropriations of **nil** on the FY 2023/2024 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 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 on page **1** under section **2** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule of the Act.

Sales tax/ Value Added Tax

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

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

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

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 an 0-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

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

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

Intangible assets

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

g) 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.

h) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

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.

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

Inventories (Continued)

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

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.

k) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the

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

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) 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.

o) 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.

p) Borrowing costs

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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.

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional Grants		
Capitation Grants	15,591,491	14,880,000
Operational Grant		1,000,000
Development grants		
Other Grants		
Total unconditional Grants	15,591,491	15,880,000
Conditional Grants amortised/ recognised in revenue		
Library Grant		-
Hostels Grant		-
Administration Block Grant		-
Laboratory Grant		-
Learning Facilities Grant		-
Other Organizational Grants		-
Total Government Grants and Subsidies	15,591,491	15,880,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount recognised in Statement of Financial Performance	Amount deferred under deferred income	Amount recognised in current year	Total grants received during the year	Amount received FY
	KShs	KShs	KShs	KShs	KShs
State Department of XX					
XX Ministry					
Total					

(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.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix xxx

7. Grants from Donors and Development Partners

Description	2023-2024	2022-2023
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants (specify)		
Total Grants from Development Partners		

(a) Reconciliations of grants from donors and development partners

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Conditions Met - Transferred to Revenue		
Conditions Yet To Be Met - Remain Liabilities		

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfer from County XX		
Transfer from XX University		
Transfer from XX Institute		
Total Transfers		

9. Public Contributions and Donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

10. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	6,653,475	8,221,610
Activity Fees	214,779	-
Industrial Attachment Fees	25,548	-
Examination Fees knec	1,620,580	1,034,850
Facility Hire	-	13,000
Repair Maintainance and Improvement	192,905	-
Electricity, Water and Conservancy	181,148	-
Local Transport and Travelling	127,396	-
Student id	434,126	102,600
Personal Emolument	380,654	-
Tveta fees	55,500	-
Caution Fees	61,000	-
Medical and Insurance	25,580	-
Rtd Cheque	-	135,500
Helb Loan	5,756,105	2,887,000
CDF bursaries	1,272,000	2,209,290
Kuccps Registration Fees	129,273	227,500
Arrears	874,178	-
Welfare	35,500	76,450
Registration Fees	140,000	114,800
Nuru ya Mtoto	1,402,120	-
Total Revenue from The Rendering of Services	19,581,867	15,022,600

11. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	962,150	511,870
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	962,150	511,870

12. Rental revenue from facilities and equipment

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rentals		
Operating Lease Revenue		
Others (<i>specify</i>)		
Total		

(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)

13. Finance Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

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

15. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	3,957,385	-
Industrial attachment costs	-	-
Electricity and Water	250,000	48,215
Stores Equipment and Supplies	97,571	140,000
Activity	460,800	67,774
Professional and consultancy services	-	-
Operation Cost	-	2,695,280
Advertising	218,070	-
Examination Materials	1,798,455	543,635
Bank Charges	-	-
Catering, conferences, and delegations	-	-
Travelling and accommodation	4,299,700	2,208,200
practical	-	27,000
Katti expenses	592,881	
Insurance	-	-
Legal expenses	-	-
Knec Fees	1,256,750	1,161,130
Postage	-	-
Printing and stationery	-	-
Attachment	16,000	27,350
Farm costs	860,450	945,600
Skills development levies	-	-
Administration Costs	6,441,952	96,940
Internet expenses	-	-
Training expenses	964,870	-
Other (<i>specify</i>)	-	-
Total good and services	21,214,884	7,961,124

16. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Employee Costs	3,682,316	3,846,032
Helb loan Repayment	43,299	141,107
Nssf	44,360	90,000
Housing Levy	13,772	
Paye	55,667	2,430
NHIF	109,630	142,750
Nita Levy	7,200	
Employee Costs	3,956,244	4,222,319

Description	2023-2024	2022-2023
	Kshs	Kshs
Employee Costs	3,682,316	3,846,032
Helb loan Repayment	43,299	141,107
Nssf	44,360	90,000
Housing Levy	13,772	
Paye	55,667	2,430
NHIF	109,630	142,750
Nita Levy	7,200	
Employee Costs	3,956,244	4,222,319

17. Board/Council Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Council Expenses	1,844,000	1,357,000
Total	1,844,000	1,357,000

18. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	-	960,794
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	960,794

19. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	520,060
Equipment and machinery	1,701,040	-
Advertising and Marketing	-	232,003
Furniture and fittings	134,500	-
Computers and accessories	-	-
Total Repairs and Maintenance	1,835,540	752,063

20. Contracted Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Community Development	-	-

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Education Initiatives and Programs		-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

23. Gain On Sale of Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets		-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-

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Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	206,426	1,074,548
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	206,426	1,074,548

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

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1280646055	95,519	1,074,548
kcb	1259204170	110,907	
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(Specify)			
Cash in Transit			

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Cash in Hand			
Mobile Money account			
Sub- Total			
Grand Total		206,426	1,074,548

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	38,703,600	36,345,435
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	38,703,600	36,345,435

27 (b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	38,703,600	100%	36,345,435	100%

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Over 3 years	-	%	-	%
Total (a+b)	38,703,600	%	36,345,435	%

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

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

28. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	27,528,491	17,445,000
Transfers from Other Govt. entities	-	-
revenue received	(11,033,846)	(5,508,000)
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	16,494,645	11,937,000

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,557,645	%	11,937,000	%
Between 1- 2 years	11,937,000	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	16,494,645	%	11,937,000	%

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

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

29. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

30. Investments in financial assets

Description	2023-2024	2022-2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution	-	-
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks	-	-
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)	-	-

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Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

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

d) Shareholding in other entities

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

Name of Entity where investments are held	Type of Shares				Cost Value of Shares	Fair Value of Shares
	Percentage	Number of Shares	Cost Value	Market Value		
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

31. Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Total	-	-

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32. Property, Plant and Equipment

	Land	Buildings	Machinery	Furniture and fittings	Computers & Equipment	Kitchenware	Loose Tools	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	-	46,450,162	-	51,328	-	-	-	46,501,490
Additions	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023	-	46,450,162	-	51,328	-	-	-	46,501,490
Additions	-	-	-	-	-	-	-	-
Revaluation	44,000,000	13,549,838	15,820,370	3,421,482	5,150,170	57,040	40,050	82,038,950
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2024	44,000,000	60,000,000	15,820,370	3,472,810	5,150,170	57,040	40,050	128,540,440
Depreciation And Impairment								
At 1 Jun 2023	-	232,251	-	2,566	-	-	-	234,817
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2024	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-

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At 30 th Jun 2024	-							-
Net Book Values	-	232,251	-	2,566	-		-	234,817
At 30 th Jun 2023	-	46,450,162	-	51,328	-		-	46,501,490
At 30 th Jun 2024	44,000,000	60,000,000	15,820,370	3,472,810	5,150,170		40,050	128,305,623

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Stephen Nduti Wambua professional valuers on 21/05/2024. These amounts were adopted in the financial statements on 30/6/2024.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost Kshs	Accumulated Depreciation (Kshs)	NBV Kshs
Land	44,000,000	-	44,000,000
Buildings	60,000,000	-	60,000,000
Plant And Machinery	15,820,370	-	15,820,370
Loose Tools	40,050	-	40,050
Kitchenware	57,040	-	57,040
Computers and Related Equipment	5,150,170	-	5,150,170
Office Equipment, Furniture, And Fittings	3,472,810	-	3,472,810
Total	128,540,440	-	128,540,440

33. Intangible Assets

Description	2023-2024 Kshs	2022-2023 Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions—ERP Software	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

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34. Investment Property

	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Bee hives	40,000	
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	40,000	-

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

35. Biological Assets

	2023-2024	2022-2023
	Kshs	Kshs
Cattle	-	-
Rabbit	10,000	
Trees	1,000,000	-
Others (Specify)	-	-
Total	1,010,000	-

36. Trade and Other Payables

Description	2023-2024		2022-2023	
	KSh		KSh	
Trade payables	761,035		795,805	
Fees paid in advance				
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	761,035		795,805	
Ageing analysis:	Current FY	% of the Total	Comparative F	% of the Total
Under one year	761,035	%	795,805	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals above)	761,035	%	795,805	

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37. Refundable Deposits from Customers/Students

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	-	%

38. Current Provisions

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

39. Finance Lease Obligation

Description	2023-2024	2022-2023
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount
	Kshs
Year 1	-

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Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	-
Total	-

Analysed as:

Description	Amount Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	2023-2024 Kshs	2022-2023 Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	Balance brought forward	Additions during the year	Transfers to capital fund	Transfers to income statement	Other transfers	Balance carried forward
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-
Transfers to capital fund	-	-	-	-	-	-
Transfers to income statement	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-
Balance carried forward	-	-	-	-	-	-

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

Analysed as:

Description	Amount Kshs
Current	-
Non- Current	-
Total	-

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41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Description	2023-2024	2022-2023
	Kshs	Kshs
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (Post- Retirement)		
Withdrawals		
Ill Health		
Retirement		

Recognition of Retirement Benefit Asset/ Liability

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

Description	2023-2024	2022-2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

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Description	2023-2024	2022-2023
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others (specify)		
Net asset or liability arising from defined benefit obligation		

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. 6% per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by - Pension Fund. Employees contribute -% while employers contribute -% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2023-2024		2022-2023	
		Kshs		Kshs
Fees received in advance		240,000		438,080
Others (Specify)		-		-
Total		240,000		438,080
Ageing analysis:	Current FY	% of the Total	Comparative F	% of the Total
Under one year	240,000	100%	438,080	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	240,000	100%	438,080	100%

43. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

43 a) Analysis of External and Domestic Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

44. Non-Current Provisions

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from

45. Service Concession Arrangements

Description	2023-2024	2022-2023
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Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

46. Social Benefit Liabilities

Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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

47. Cash generated from operations.

Adjusted for:	7,284,840	16,160,870
Depreciation	-	960,794
Non-Cash grants received	-	-
Contributed assets	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-

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Working Capital Adjustments		
Inventory	189,119	-
Increase in Receivables	(2,358,165)	(7,563,309)
Increase in Receivables from capitation	(4,557,645)	(9,372,000)
Decrease in Payables	(34,770)	(207,720)
Decrease in Payments received in advance	(191,501)	4,836
Net Cash Flow from Operating Activities	331,878	(16,529)

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

48. Financial Risk Management

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

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

(i) Credit risk

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

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

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

At 30 June 2023				
Receivables from exchange transactions	36,345,435			
Receivables from non-exchange transactions	9,372,000			
Bank balances	1,074,548			

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Total	46,791,983			
At 30 June 2024				
Receivables from exchange transactions	38,703,600			
Receivables from non-exchange transactions	4,557,645			
Bank balances	206,426			
Total	43,467,671			

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

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from -

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

(ii) Liquidity risk management

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

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

At 30 June 20XX (previous year)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 20XX (current year)				
Trade Payables				

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Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

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

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.

20xx			
Euro	10%		
Usd	10%		
20xx			
Euro	10%		
Usd	10%		

b) Interest rate risk

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

Management of interest rate risk

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

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 been performed on the same basis as the prior year.

iv) Capital Risk Management

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

Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds		-

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Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt		
Grants from County Government		
Donations in Kind		
Total		
c) Expenses incurred on behalf of related parties		

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Payments of Salaries and Wages for xx Employees		
Total		
d) Key Management Compensation		
Directors' emoluments		
Compensation to Key Management		
Total		

50. 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)

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Total		

Contingent Liabilities

Contingent Liabilities		
Court Case Xxx against <i>(The Entity)</i>		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Total		

(Give details)

52. Capital Commitments

Authorised for		
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Authorised and Contracted for		
Total		

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

53. Events After The Reporting Period

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

54. Ultimate And Holding Entity

The entity is a Public College under the Ministry of Education. Its ultimate parent is the Government of Kenya.

55. Currency

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

14. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

SNY/KENDEGE TVC/2020/2021 / (31	Lack of Human resource Instruments	Management has a draft for the and has plans to come up with a full document	<i>Not Resolved</i>	By end of FY 2024/2025
SNY/KENDEGE TVC/2020/2021 / (31	Lack of Risk management policy and framework	Management has a draft for the and has plans to come up with a full document	<i>Not Resolved</i>	By end of FY 2024/2025
SNY/KENDEGE ETVC/2021/2022	Discrepancies between financial statement and trial balance	The management amended the financial statement and corrected the anomalies	<i>Resolved</i>	By early of FY 2022/2023(completed)
KENDEGETV C/2022-2023/4.0	Lack of approved strategic plan	The Board of Governors has approved the institution strategic plan	<i>Resolved</i>	By 2023/2024

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KENDEGE/2022-2023	Lack of information and communication Technology policy (ICT policy)	The management and drafted an ict policy which awaits approval by the board	<i>Not resolved</i>	By early 2024/2025
SNY/KENDEGE TVC/2020/2021 / (31	Lack of audit committee and internal audit function	Already implemented	<i>Resolved</i>	Completed
SNY/KENDEGE TVC/2021/2022	Undisclosed property plant and equipment and lack of Fixed Asset Register	The management did valuation of assets in May 2024	Resolved	Completed
SNY/KENDEGE TVC/2020/2021 / (31	Lack of strategic plan	Already implemented	<i>Resolved</i>	Completed

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;

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- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to the National Treasury.



Name; Otara Nickson Oreti
Principal

