



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 05 JUL 2023

DAY

WED OF

TABLED  
BY:

Hon Owen Baya, CBS, MP  
Deputy leader, majority

CLERK AT  
THE TABLE:

Fenlays Muriuki

**THE AUDITOR-GENERAL**

**ON**

**SIRUTI TECHNICAL AND VOCATIONAL  
COLLEGE AWENDO**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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# SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2022

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**I KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Siruti Technical and Vocational College Awendo was established under the TVET Act 2013 commenced operations on February 05 2021. The College is domiciled in Siruti shopping centre approximately 6 km from Awendo town within Migori county- Kenya. The institution is a public institution and is under the Ministry of Education.

**(b) Principal Activities**

The principal activity of Siruti Technical and Vocational College Awendo is to train students in business and technical courses.

**Our Vision**

To be a world class College in the provision of technical, vocational training and applied research.

**Our Mission**

To expand human knowledge beneficial to society through high quality training, applied research and practicability

**Our Strategic Objectives**

- To achieve Financial Viability and Sustainability
- To develop a Strong and Well-Managed Institution
- To provide quality Education and Technical Training
- To improve Corporate Governance and Image
- To expand and improve the Physical Facilities
- To enhance Risk Management, Disaster Preparedness and promote Environmental Sustainability

**Our Core Values**

- Integrity
- Innovation
- Practicability
- Teamwork
- Environmental Sustainability

**(c) Key Management**

The day-to-day management of the College is exercised by the following key organs:

- Board of Governors
- Principal / Board Secretary
- Principal's Management Committee

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

<b>S/No</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	Wilfred Owalla
2.	Deputy Principal	Jane Ochung
3.	Dean of Students	Paul danga
4.	Registrar	Mercy Onguko
5.	Finance Manager	Jane Ogutu
6.	Supply Chain Manager	Simon onduru
7.	Human Resource Manager	Doreen Odhiambo

**Fiduciary Oversight Arrangements**

<b>Board Committees</b>	<b>Members</b>	
Finance, Infrastructure and Resource Mobilization (FIRM) Committee	Bainitos Hussein	Chairperson
	Carolyne Otieno	Member
	Olympia Keino	Member
	Tom Olango	Member
	Wilfred Owalla	Secretary
Education, Research and Training Committee	Dr Carolyne Kokeyo	Chairperson
	Ben Odhiambo	Member
	Olympia Keino	Member
	Tom Olango	Member
	Wilfred Owalla	Secretary
Audit Risk and compliance Committee	CPA Simeon Obongo	
	Ben Odhiambo	
	Dr Carolyne Kokeyo	
Chairperson		
Member		
Member		

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**(e) Entity Headquarters**  
P.O. Box 555-40405  
SARE-AWENDO  
Awendo – Migori Road  
Migori County,  
KENYA

**(f) Entity Contacts**

Telephone: (254) 0113004605 / 0786925569  
E-mail: sirutiawendotvc@gmail.com

**(g) Entity**

National Bank of Kenya  
Awendo Branch  
P.O. Box 200-40405  
Sare - Awendo

**(h) Independent Auditors**




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

**(i) Principal Legal Adviser**





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

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**II BOARD OF GOVERNORS**

	<p>Charles Obiero Odindo, Chairman</p> <p>Date of Birth: 2<sup>nd</sup> June 1965</p> <p>Charles holds a BSc degree in Human Resource Management. He has a wealth of experience in strategic leadership and governance. His work experience also involves integrated research design, cartographic mapping for institutional planning as well as marketing and resource mobilization.</p> <p>He has also participated in various activities involving training of trainers, performance management, monitoring and evaluation of projects/programmes and sourcing of local and donor funds.</p>
	<p>Dr Carolyne A. O. Kokeyo Member</p> <p>Date of Birth: 16<sup>th</sup> January 1974</p> <p>Dr Carolyne holds a PhD in Communication Studies in Educational Leadership. She is an accomplished scholar with a teaching experience of over 21 years. She has also published in various refereed journals.</p>
	<p>CPA Simeon Obongo Member</p> <p>Date of Birth: 21<sup>st</sup> December 1976</p> <p>CPA Simeon Obongo is a practising auditor. He is currently undertaking his PhD in finance. He holds a MSc in finance and BCom in Accounting. He also holds a CIFA (K) qualification.</p>

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	<p>Olympia J. Keino-Okal HSC Member</p> <p>Date of Birth: 1968</p> <p>Mrs Okal who is currently undertaking a PhD in Community Nutrition and Development, is a holder of MA in Home Science. She has over 30 years' experience in the education sector. Olympia is also a professional counsellor and is a member of several Boards.</p>
	<p>Bainitos O Hussein Member</p> <p>Date of Birth: April 1959</p> <p>Mr Hussein, a holder of HND in Land Surveying and Mapping is a registered member of ISK. He has a wealth of experience spanning over 40 years in the public sector.</p>
	<p>Date of Birth: 25<sup>th</sup> September 1988</p> <p>Caroline Cecilia Otieno</p> <p>Caroline holds a BA in Communication and Media. She is currently a journalist working for Nam Lolwe FM. She is also a science journalist and a member of Media for Environmental Science, Health and Agriculture (MESHHA).</p> <p>She has six years' experience in the communication sector.</p>
	<p>Ben Calvins Odhiambo Member</p> <p>Date of Birth: 10<sup>th</sup> August 1991</p> <p>Ben holds a BSc in Information Technology. He is currently working with Rongo University as an IT professional. He has vast experience working with UNES-USAID Health IT Project – Migori, CHMT as a consultant for Migori, Kisii, Homabay and Nyamira counties.</p>



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	<p>Tom Olango  Regional Director TVET  Date of birth:  Mr Tom Olango is currently the regional TVET Director in charge of Migori, Nyamira, Kisii and Homa Bay counties</p>
	<p>CPA Wilfred Owalla  Principal/Secretary to Board  Date of birth: 05 July 1965  CPA Wilfred is a holder of MBA in Finance.  He also has several publications in referred journals and has over 30 years' experience in the TVET sector.</p>

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**III MANAGEMENT TEAM**

The key management personnel who held office during this quarter ended 30<sup>th</sup> June, 2021 and who had direct fiduciary responsibility were:

No.	Member/ Director	Details
1.	 <p><b>CPA Wilfred Owalla</b>  <b>Secretary to Board/Principal</b></p> <ul style="list-style-type: none"> <li>▪ <i>MBA (Finance)</i></li> <li>▪ <i>B. Com (Accounting) C.P.A(K)</i></li> <li>▪ <i>ICPAK Member No. 2793</i></li> </ul>	Principal
2.	<p>Madam Jane Ochung  Master in Communication and linguistic</p>	Deputy Principal
3.	<p>Mercy Onguko  Registrar  Bsc Hospitality</p>	Registrar
4.	<p>Paul Danga  Bsc in General Agriculture</p>	Dean of Students Head of Agriculture Department
5.	 <p>M/s Jane Ogutu  CPA PART 2</p>	Accountant PC Coordinator
6.	<p>Mr Simon Onduru  Dip SCM</p>	Procurement Officer
7.	<p>M/s Doreen Odhiambo  Bsc Business Management</p>	HR Officer

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**IV CHAIRMAN’S STATEMENT**

Siruti TVC Awendo has continued to discharge its mandate by working closely with the National Government through the State Department of Vocational Training under the Ministry of Education in the implementation of its mandate which is quality training.

At Siruti TVC Awendo there are many issues that we address and mitigate which include environmental, social, operational, financial, and technological issues. But with the right people and partners, we have remained on plan and on budget in FY 2021/2022. This reflects our improved confidence in the position of the institution.

On corporate governance, we are fully compliant with the Mwongozo code of governance. The Board oversaw and provided significant input into a number of important developments during the year relating to infrastructure and policies. These initiatives were implemented to ensure that we continue to focus on the issues that will shape the future of the institution.

The College also participated in Performance Contracting for the first time and has scored well. As we move on we expect to continue improving.

The Board therefore has continued to put in place systems, policies, procedures and other frameworks to enable full operationalization of the College. In FY 2021/2022 the Board approved an additional 8 policies and a Citizen Service Delivery Charter bringing the approved policies to a total of 11. 8 Operating Procedure Manuals are also in place.

The College managed to have a fenced compound and gate, electricity and internet connectivity. There has also been a concerted effort to purchase training equipment, library books among others.

The College however continue to face a myriad of problems inter alia financial resources. There were also problems experienced due to lack of water, no training machinery, equipment and furniture.

However, the future looks bright. The Board has entrusted day to day running of the institution to management headed by the Principal who together with the staff ensures that policies put in place by the Board are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

The Board intends to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, enhance sustainability and monitor achievement of targets.

The Board gives an assurance on continued support to management as they exercise their oversight role for effective performance.

Thank you

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Charles Odindo  
**CHAIRMAN**

## **V. REPORT OF THE PRINCIPAL**

### **Introduction**

Siruti Technical and Vocational College Awendo entered into its second year of operations with evidence of continual growth. The number of trainees at the at the end of the financial year stood at 329 trainees from 180 the previous year, representing a rate of increase of 83%.

The Board also recruited 20 trainers who engaged in the training. The trainees sat for their first KNEC exam in the history of the College. 3 KASNEB trainees have already twice sat for their national exams with 100% pass.

The management under the direction of the BoG has continued to develop various operating procedures manuals to guide its operations. 8 operating procedures have been documented. Likewise, in the FY 2021/2022 the Board approved an additional 8 policies and a Citizen Service Delivery Charter bringing the approved policies to a total of 11. Other policies are under consideration.

It is worth noting that despite its very young age, the College went through its 1<sup>st</sup> cycle of Performance Contracting and posted some impressive results.

### **Operational Results**

Financial resources have continued to be a big challenge in the just ended financial year.

At the close of the financial year, the College had received Kes 500,000 grant from GoK through Maweg TTI.

The College therefore had total income of Kes 12,161,912 against total expenditure of Kes 10,372,902 giving a surplus of Kes 1,789,010. The trainee population as mentioned earlier closed at 329 trainees. Fee collection remains a challenge for both for the non-sponsored CDF students and sponsored CDF students.

Our asset base currently stands at Kes 58,831,839 with liabilities standing at Kes 215,941. This comprises Kes 120,000 remaining out of the Kes 300,000 borrowed from Mawego TTI. The amount of Kes 95,941 owed to suppliers has since been paid.

### **COVID-19 Pandemic**

With the emergence of COVID-19 pandemic, the College facilities have become more strained because of the Ministry of Health's requirements i.e.

- a) Social distancing in classrooms and workshops.
- b) Installation of more water points in the institution.

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- c) Improved and increased sanitation for our students and staff necessary
- d) Need for more temperature guns and sanitizers.

### **Achievements**

Management has continued to repair and convert into workshops the existing dilapidated ECD rooms. More training equipment has been acquired for use by trainees in their practical. The expected machinery from the ministry is yet to materialize.

In the preceding period FY 2021/2022 the College has recognized a number of achievements have been made despite the acute resource constraints. More furniture has been purchased and continues to be purchased for both staff and students. Electricity connectivity to the national grid has been achieved. Internet connectivity has also been achieved though there is need for more bandwidth. Beautification of the compound is ongoing with over 2,000 trees planted.

### **Governance**

The BoG executed their duties well during the year. The meeting attendances are stated under corporate governance statement. There were no conflicts of interest recorded during the year under review.

The College is managed by the Principals Management Committee (PMC) which comprise of all top management staff. During the year under review, the PMC also executed their role well.

### **Conclusion**

Finally, I would like to express my special thanks to the Siruti Technical and Vocational College Awendo stakeholders, especially the Siruti community and especially the trainees, for the support that they offered to the institution despite the meagre resources. Special mention also goes to the staff who though are on low pay, have worked tirelessly to ensure smooth operation of the institution. The Board is also commended for providing effective leadership and oversight in driving forward the College.

We will continue to be guided by our mission *"To expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry"*.

Thank You

Wilfred Owalla  
**PRINCIPAL/BOARD SECRETARY**

## **SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**

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### **VII. CORPORATE GOVERNANCE STATEMENT**

We believe in good corporate governance as an institution. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction.

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on Monday 8<sup>th</sup> March 2021.

Board meetings are held quarterly and as and when the need arises. The College ensures that it provides the necessary resources and expertise to the Board to assist the it in their decision-making. The Ministry of Education is also regularly consulted on key policy matters.

#### **General Responsibilities**

The Board has a duty to the people of Kenya to ensure that Siruti Technical and Vocational College Awendo achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant Acts of Parliament and all Ministry directives and guidelines issued from time to time

The statutory functions of the Board include:

Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET Act 2013;

- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law;
- Administering and managing the property of the institution;
- Developing and implementing Siruti TVCA Strategic Plan
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013;
- Mobilizing resources for the institution;

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### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

- Developing and reviewing programmes for training and to make representations thereon to TVETA Board;
- Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of TVET Act 2013;
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board;
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board;
- Making regulations governing organization and conduct and discipline of staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET Board;
- Providing for the welfare of the students and staff of the institution;
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

#### **Risk Management and Internal Controls**

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The Risk Management Policies are established to identify and analyse the risks faced by the institution and to set appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently, the institution identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The Institution has in place a system of internal controls with defined operating procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorised, validated and reported in line with International Public-Sector Accounting Standards.

#### **Conflicts of interest**

All Board members are under a duty to avoid any conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the institution's business.

The Board has established robust process requiring members to disclose outside business interests that would conflict with institutions interests.

#### **Compliance**

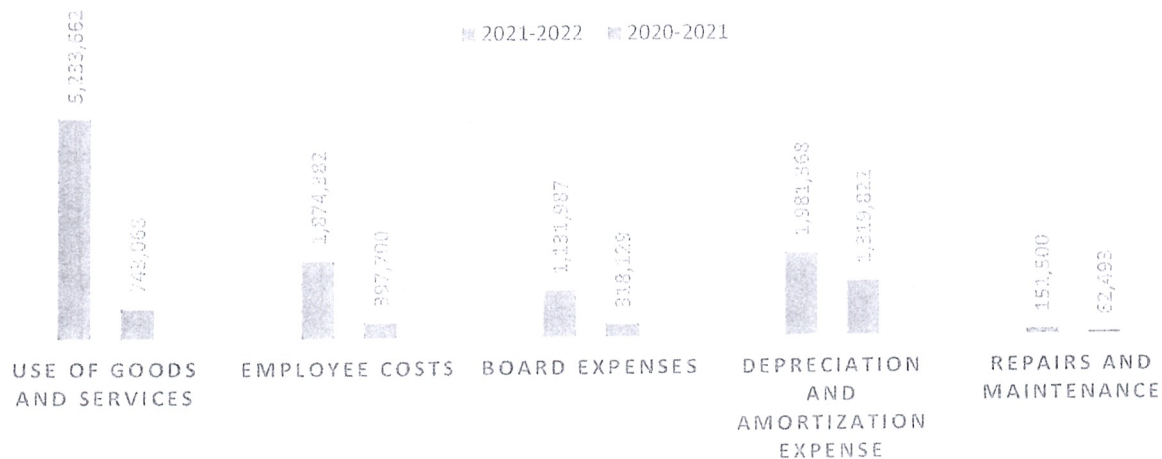
The Board confirms that it is satisfied that the though the institution currently has inadequate resources it can continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to;

- The Constitution of Kenya, 2010

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**EXPENSES BY CATEGORY**



It should be noted that employee costs stand at 18.1% of total costs which is an increase of 6.3% from 11.8% from the previous year. This is below the recommended ceiling of 30%. The increase is attributed to the increased number of trainers recruited during the financial year. The Board continues to recruit as funds become available.

Board expenses stand at 10.9% of total expenditure. The increased amount was due to Board induction carried out during the year. This is above the recommended 5%. There is therefore need to generate more income to lower this %age.

Use of goods and services is at 50.5% of total expenditure up from 27% the previous year. There was increased expenditure for practical lessons which had been a major concern in the previous year.

**Compliance with Statutory Requirements**

The College is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

The College has also internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled. The Board has already approved the Academic Policy, Financial Management Policy and Procurement Policy..

**Risk Analysis**

**Operational Risks**

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The Board has overall responsibility for the oversight of the College risk management framework. The College is developing risk management policies to identify and analyze the risks faced by the College, set appropriate risk limits and controls and monitor risks and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the College activities. The Principal will then oversee how management monitors compliance with the College risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the College.

The College faces a high level of competing interests for resources. There is a high level of competition for trainees in the College catchment area from other public and private TVET Colleges within the region. The College financial assets comprise of receivables, cash and short-term deposits which arise directly from its operations. The financial liabilities comprise of payables including a loan taken from the mentor institution. The College is therefore exposed to both liquidity risks and credit risks.

#### **Liquidity Risk**

This is the risk that the College will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The College's approach managing liquidity is to ensure as far as possible, that there is always sufficient liquidity to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the College's reputation. Typically, the College ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days including the servicing of financial obligations. This however does not include the potential impact of extreme circumstances that cannot be reasonably predicted such as political violence. All liquidity policies and procedures are subject to review and approval by the Board. It is very important to note that the College faces a liquidity risk of non-receipt of capitation grants from GoK which may prevent it from meeting its financial obligations as and when they fall due.

#### **Credit Risk**

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The College has a policy on fee payment which defines how and when fees are supposed to be paid. This minimizes the credit risk exposure. Currently 60.6% of the College's receivables are performing.

It important to note that the College now under performance contracting and it is envisaged that this will greatly improve its operational efficiency.

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- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal Act, 2015
- IPSAS standards.
- Mwongozo
- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

Siruti Technical and Vocational College Awendo also has internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are inter alia; Financial Management Policy, Procurement Policy, and Academic Policy.

### BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

#### FULL BOARD

No	NAME	8 <sup>th</sup> July 2021	5 <sup>th</sup> October 2021	12 <sup>th</sup> Jan 2022	13 <sup>th</sup> April 2022
1	Charles Obiero Odindo	✓	✓	✓	✓
2	Olympia Okal	✓	✓	✓	✓
3	Simeon Obon'go	✓	✓	✓	✓
4	Dr Carolyn Kokeyo	✓	✓	✓	✓
5	Bainitos Hussein	✓	✓	✓	✓
6	Ben Odhiambo	✓	✓	✓	✓
7	Caroline Otieno	✓	✓	✓	✓
8	Tom Olango	✓	✓	✓	✓
9	Wilfred Owalla	✓	✓	✓	✓

\*NB: Committee meeting were temporarily suspended during FY 2021/2022 and all matters were dealt with at the full board meetings. The committee have however resumed in FY 2022/2023

### EDUCATION, RESEARCH AND TRAINING (ERT) COMMITTEE MEETING FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

No.	NAME	16 <sup>TH</sup> March 2022
1	Dr Carolyn Kokeyo	✓
2	Ben Odhiambo	✓
3	Olympia Keino	✓
4	Tom Olango	✓
5	Wilfred Owalla	✓

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All other activities of the Board are as governed and directed by the TVET Act 2013, other relevant acts of Parliament and government directives and guidelines issued from time to time.

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

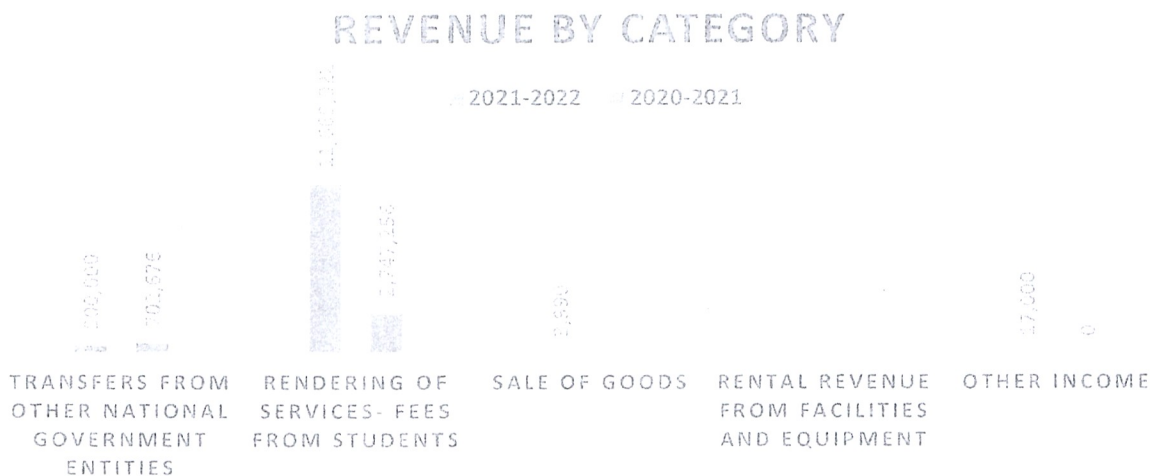
**INTRODUCTION**

This discussion and analysis provide an overview of the results of activities and financial position of Siruti Technical and Vocational College Awendo. Being the first year of operation, comparative information is unavailable. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow

**FINANCIAL HIGHLIGHTS**

**Revenue**

Siruti TVCA's stood at Kes 3,771,780. The student population at the close of the financial year stood at 329 trainees. The breakdown is as shown below:



It is hoped that in FY 2022/2023, income of the institution will increase as a result of increased registration of trainees.

Total expenditure stood at Kes 10,372,899

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### **IX . CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Siruti Technical and Vocational College Awendo exists to transform lives. This is our purpose; the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational excellence.

#### **Sustainability Strategy and Profile**

The College's approach to sustainability is based on the College mission to expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The College will also sign an MOU with at least two industry players to among others enhance its capability to generate income in collaboration with industry.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

Research and innovation are an important component of sustainability. In the FY 2022/2023 budget estimates, a total amount of Kes 1,215,000 representing 5.2% of Siruti TVCA annual budget, has been allocated for research and innovation activities.

In the FY 2022/2023, the College in its approved annual work plan, under the performance contract guidelines, has committed to developing partnerships and linkages with industry to provide learning opportunities for trainees, applied research opportunities for trainers and benefit to community.

Our physical facilities include halls and grounds serve the community. Sports facilities especially the fields are open for use by the community on arrangement but free of any charges.

We will continue to engage with key stakeholders to achieve sustainability strategies in line with international best practice.

#### **Environmental Performance**

Siruti TVCA strives to be a responsible business representing the highest standards of ethics and professionalism. We have reviewed the global best practice guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that STVCA is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and proactiveness. STVCA, compliance refers to our commitment to upholding all legal requirements, and our willingness to observe, acknowledge, and respect community values and laws.

## SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

Our proactiveness is manifested by emphasizing and recognizing human rights locally and globally, and actively engaging with our communities through volunteering, community service, pro-bono service, and philanthropy, while always protecting and respecting our natural environment through our actions and policies. This can be seen in the way the College engaged in tree planting within the compound to improve the environment.

As an institution, we implement policies and act to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can ultimately be better together. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, mental or physical disability, ancestry, sexual orientation, gender identity or expression, marital status, source of income, parental status, housing status, or other protected status. We strongly encourage women, youth, persons with disabilities, and members of the community to join the institution and live our shared values.

Siruti TVCA will always:

- Respect and uphold applicable local, county, and national laws to the best of our abilities
- Honour and review all internal policies for complete and responsible implementation
- Ensure that all business transactions and relationships are legitimate, free of influence and bribery
- Keep all partnerships and collaborations transparent and open
- Recognize that privacy is a fundamental right, and we will comply with all privacy laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Siruti TVCA values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will always follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certification and other environmentally sustainable best practices.

### **Employee Welfare**

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the STVCA are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

STVCA respects all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our

## **SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

employees at all times, recognizing that the success of STVCA is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will always ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights of all people, involved in our business. STVCA is dedicated to protecting human rights. We practice and commit to equal opportunity employment and will always abide by fair labour practices. Additionally, STVCA will ensure that our activities do not directly or indirectly violate human rights in any way.

### **Market Place Practices**

Diversity and inclusion are deeply ingrained in all aspects of our mission. These are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees. This commitment extends beyond the employee base to the highest levels of ownership and the administrative team.

We believe successfully inclusive workplaces begin with thoughtful hiring and recruiting processes that reduce subconscious bias in candidate selection and increase the overall diversity of our workforce. We employ industry-leading methodologies, processes, and technology to attract diverse talent pools, counteract bias, and match the best talent to the needs of our clients. Our methodology includes publishing gender neutral job descriptions. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, disability status, sexual orientation, source of income, parental status, housing status, or other protected status. And to help foster the most inclusive climate possible, we will provide ongoing diversity and inclusion training to all employees, not just our management teams. We believe this is the only way to truly shape a more safe, open, and productive work environment at all levels of our training.

It is a commitment to continual learning, improvement, and action to do our part in stewarding a future of work that is beneficial and equitable for all.

STVCA has qualified supply chain manager who participates appropriately according to procurement standards thus ensuring that the procurement process has a smooth flow. The supplier and supply chain relation are perfectly respectable by having prompt communication to avoid misunderstanding between them thus supply of quality goods. Product stewardship is enhanced by safeguarding consumer rights and interests.

## **SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

As part of our procurement policy, we expect all of our suppliers to abide by the same principles and codes of conduct that we have in place. Accordingly, our suppliers must either agree to adhere to our policies and codes or confirm their adherence to their own codes of business conduct that comprise the same principles. We will be implementing a “right to audit” clause in our standard terms or conditions to allow for oversight of compliance with these provisions.

We believe that our commitment to sustainability and ethics extends beyond our own work capabilities and should include the decisions we make as a company about the partners we align with, and the products and services we buy. Our purchasing policy takes sustainability and ethical sourcing into consideration throughout all stages of the buying cycle, and we encourage our teams to support local and small businesses and support local economies. We encourage our purchasing teams to consider ethical sourcing and sustainability across all purchases. STVCA expects our suppliers to treat workers and employees with respect and fairness, to have suitable procedures in place, and to act in accordance with applicable laws.

#### **Community Engagements**

As noted in our mission statement, STVCA recognizes an expectation to have a positive impact on our community, and we promote this expectation through philanthropy, pro-bono service work, volunteering, and community service.

2,000 tree seedlings were planted. In addition, the staff also planted approximately 200 seedlings at Siruti Dispensary and donated another 300 seedlings to the local community.

#### **AUDIT**

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

**X. REPORT OF THE BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended 30 June 2022 which show the state of Siruti Technical and Vocational College Awendo.

**Principal activities**

The principal activities of Siruti Technical and Vocational College Awendo are to provide training in technical and vocational skills, research, innovation and management services. In addition, the College participates in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

**Results**

The results of Siruti Technical and Vocational College Awendo for the year ended 30 June 2022 are set out on pages 1 to 26.

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page v-vi.

**Auditors**

The Auditor General is responsible for the statutory audit of Siruti Technical and Vocational College Awendo in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However, being the first year of operation there were no previous financial statements to be audited.

By Order of the Board

Wilfred Owalla  
Principal/Secretary to the Board  
Date.....

## SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022

### XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

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

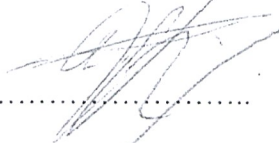
The Board members are responsible for the preparation and presentation of Siruti TVCA's financial statements, which give a true and fair view of the state of affairs of Siruti TVCA for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate 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 Siruti TVCA; (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 Siruti TVCA; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Siruti TVCA's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that Siruti TVCA's financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2022 and of Siruti TVCA's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Siruti TVCA, which have been relied upon in the preparation of Siruti TVCA'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 Siruti TVCA will not remain a going concern for at least the next twelve months from the date of this statement.

#### Approval of the financial statements

The *Siruti TVCA* financial statements were approved by the Board on 13/07/2022 and signed on its behalf by:



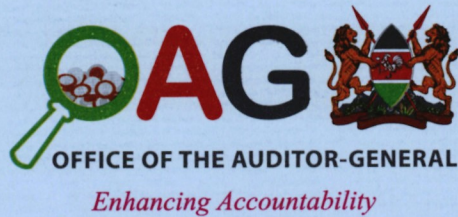
Chairman of the Board



Accounting Officer/Principal

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Siruti Technical and Vocational College Awendo set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement comparison of budget 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, the financial statements present fairly, in all material respects, the financial position of the Siruti Technical and Vocational College Awendo as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.10,916,642 and Kshs.11,690,012 respectively resulting to an over funding of Kshs.773,370 or 12% of the budget. Similarly, the college spent Kshs.8,391,531 against an approved budget of Kshs.10,916,642, resulting to an under-expenditure of Kshs.543,743 or 5%.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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**

### **Lack of Ethnic Diversity in Staff Composition**

Review of human resource records revealed that out of twenty four (24) employees of the College, twenty one (21) or 88% were from one dominant community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 overall governance were not effective.

## **Basis for Conclusion**

### **Lack of Approved Human Resources Instruments**

Audit review revealed that the College did not have human resource instruments like organizational structure, staff grading and establishment, career guidelines and human resource policy and manual approved by the State Corporation Advisory Committee (SCAC) as required by Circular Ref. OP/SCA.9/21/1/1 of 15 May, 2017.

In the circumstances, it was not possible to confirm that appropriate systems, procedures, structures, skilled and competent staff are in place at the optimal level to deliver its mandate to the students and other stakeholders.

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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

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

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

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

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

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



CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 June, 2023

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

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

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

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

**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

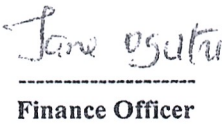
Description	Notes	2021-2022	2020-2021
		Kes	Kes
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6a	5,077,500	702,676
Transfers from the National Government –Capitation grants	6	500,000	
		<b>5,577,500</b>	<b>702,676</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	6,563,422	2,747,256
Sale of goods	8	3,990	-
Other Income	9	17,000	
<b>Revenue from Exchange transactions</b>		<b>6,584,412</b>	<b>2,747,256</b>
<b>Total Revenue</b>		<b>12,161,912</b>	<b>3,449,932</b>
<b>Expenses</b>			
Use of goods and services	10	5,233,662	743,069
Employee costs	11	1,874,382	397,700
Board /Council Expenses	12	1,131,987	318,129
Depreciation and amortization expense	13	1,981,371	1,319,822
Repairs & Maintainance	14	151,500	62,493
<b>Total Expenses</b>		<b>10,372,902</b>	<b>2,841,213</b>
<b>Net surplus for the year</b>		<b>1,789,010</b>	<b>608,719</b>

The notes set out on pages 6 to 26 form an integral part of the Annual Financial Statements.

  
Chairman of Board of Governors

Date.....

10/5/2023

  
Finance Officer

Date.....

10/5/2023

  
Principal  
ICPAK No. 2793

Date.....

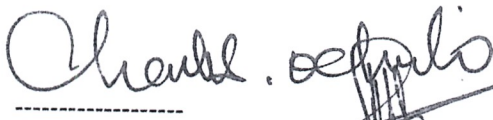
10/5/2023

**SIRUHI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**XIV.STATEMENT OF FINANCIAL POSITION AS AT 30<sup>th</sup> JUNE 2022**

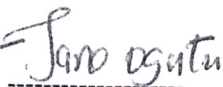
Description	Notes	2021-2022	2020-2021
		Kes	Kes
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	2,149,008	2,113,234
Receivables from Exchange transactions	16	1,314,853	563,789
receivables from Exchange transactions(advance)	17	18,500	
Inventories	18	114,500	-
<b>Total Current Assets</b>		<b>3,596,861</b>	<b>2,677,023</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	56,637,490	55,178,754
<b>Total Non-Current Assets</b>		<b>56,637,490</b>	<b>55,178,754</b>
<b>Total Assets</b>		<b>60,234,351</b>	<b>57,855,777</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	95,941	32,725
Deferred income	21	1,186,571	480,222
<b>Total Current Liabilities</b>		<b>1,282,512</b>	<b>512,947</b>
<b>Non-current Liabilities</b>			
Borrowings	22	120,000	300,000
<b>Total Non-current Liabilities</b>		<b>120,000</b>	<b>300,000</b>
<b>Net Assets</b>		<b>58,831,839</b>	<b>57,042,830</b>
Revaluation Reserves		56,000,000	56,000,000
Accumulated Surplus		2,397,729	608,719
Capital Fund		434,110	434,110
<b>Total Net Assets and Liabilities</b>		<b>58,831,839</b>	<b>57,042,829</b>

The Financial Statements set out on pages 06 to 26 were signed on behalf of the Board of Governors by:



Chairman of Board of Governors

Date.....10/5/2023



Finance Officer

Date.....10/5/2023

  
Principal  
ICPAK No. 2793

Date.....10/5/2023

**SIRUTI TECHNICAL AND VOCATIONAL COLLEGE AWENDO**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Revaluation Reserve Kes</b>	<b>Retained Earnings Kes</b>	<b>Capital/ Development Grants/Fund Kes</b>	<b>Total Kes</b>
<b>At 1 July 2020</b>	56,000,000	-	-	56,000,000
<b>Total Comprehensive Income</b>	-	608,720	434,110	1,042,829
<b>At 30 June 2021</b>	56,000,000	608,720	434,110	57,042,830
<b>Total comprehensive income</b>	-	1,789,010	-	1,789,010
<b>At June 30 , 2022</b>	56,000,000	2,397,729	434,110	58,831,839

**XV<sup>th</sup> STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

Description		2021-2022	2020-2021
	Note	Kes	Kes
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	6	5,577,500	702,676
Rendering of services- fees from students	7	5,376,851	2,183,467
Sale of Goods	8	3,990	0
Other Income	9	17,000	
<b>Total Receipts</b>		<b>10,975,341</b>	<b>2,886,143</b>
<b>Payments</b>			
Use of goods and services	10	5,233,662	710,343
Compensation of employees	11	1,874,382	397,700
Board /Council Expenses	12	1,131,987	318,129
Repairs & Maintainance	13	151,500	62,493
<b>Total Payments</b>		<b>8,391,531</b>	<b>1,488,665</b>
Deffered Income	21	1,186,571	480,222
<b>Cash flow from Operating Activities</b>		<b>3,770,381</b>	<b>1,877,700</b>
<b>Adjustments for:</b>			
Increase in Inventories	17	(114,500)	
<b>Net cash flows from Operating Activities</b>		<b>3,655,881</b>	
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	18	(3,440,107)	(498,576)
<b>Net cash flows used in investing activities</b>		<b>(3,440,107)</b>	<b>(498,576)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Borrowings	22		300,000
Repayment of borrowings	22	(180,000)	
Increase in Capital Funds			434,110
<b>Net cash flows used in financing activities</b>		<b>(180,000)</b>	<b>734,110</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>35,774</b>	<b>2,113,234</b>
Cash and Cash equivalents at 1 July 2021		2,113,234	0
<b>Cash and Cash equivalents at 30 June 2022</b>		<b>2,149,008</b>	<b>2,113,234</b>

*Charles Schindler*  
 Chairman of Board of Governors

*Jane Ogutu*  
 Finance Officer

*[Signature]*  
 Principal  
 ICPAK No. 2793  
 Date: 10/5/2023

Date: 10/5/2023

Date: 10/5/2023

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**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Performance Difference		Utilization Difference	
	2021-2022	Kes	2021-2022	Kes	2021-2022	Kes	2021-2022	Kes	2021-2022	Kes	2021-2022	%
<b>Revenue</b>												
Transfers from other Govt entities	2,000,000		0		2,000,000		500,000		1,500,000		-75%	
Govt grants												
Capitation	4,200,000		0		4,200,000		5,077,500		877,500		21%	
Rendering of services- Fees from students	3,816,642		0		3,816,642		6,091,522		2,274,880		60%	
Sale of goods	0		0		0		3,990		3,990			
Other Income	900,000		0		900,000		17,000		883,000		-98%	
<b>Total income</b>	<b>10,916,642</b>		<b>0</b>		<b>10,916,642</b>		<b>11,690,012</b>		<b>773,370</b>		<b>12%</b>	
<b>Expenses</b>												
Compensation of employees	2,531,187		0		2,531,187		1,874,382		656,805		26%	
Use of goods and services	6,535,442		0		6,535,442		5,233,662		1,301,780		20%	
Board Expenses	1,065,000		0		1,065,000		1,131,987		66,987		-6%	
Repairs and Maintenance	785,012		0		785,012		151,500		633,512		81%	
<b>Total expenditure</b>	<b>10,916,642</b>		<b>0</b>		<b>10,916,642</b>		<b>8,391,531</b>		<b>543,743</b>		<b>5%</b>	
<b>Surplus for the period</b>							<b>3,298,481</b>		<b>729,627</b>			

The deficit in income was caused by non-receipt of Q3 and Q4 grants. This also resulted in reduces expenditure in the various vote heads.

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**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Siruti Technical and Vocational College Awendo is established by and derives its authority and accountability from TVET Act. Siruti Technical and Vocational College Awendo is wholly owned by the Government of Kenya and is domiciled in Kenya. Siruti Technical and Vocational College Awendo principal activity is training.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the land and ECD building measured at own valuation. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Siruti Technical and Vocational College Awendo accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

The financial statements have been prepared and presented in Kenya Shillings (Kes), which is the functional and reporting currency of Siruti Technical and Vocational College Awendo.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, Ministerial Guidelines, 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 (Continued)**

**i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> </ul>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42:</b> Social Benefits	<b>Applicable: 1<sup>st</sup> January 2022</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by Siruti TVCA;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on Siruti TVCA's financial performance, financial position and cash flows.</li> </ul>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<b>Applicable: 1st January 2022:</b> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

**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 Siruti Technical and Vocational College Awendo and can be measured reliably. Recurrent grants are recognized in the Statement of Comprehensive Income. Capital grants are recognized in the Statement of Financial Position and realised in the Statement of Comprehensive Income over the useful life of the assets that has been acquired using such funds

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**ii) Revenue from exchange transactions**

**Rendering of Services**

Siruti Technical and Vocational College Awendo recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

**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 Siruti TVCA. In FY 2020/2021 there was no sale of goods.

**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**

Siruti Technical and Vocational College Awendo currently does not earn any rental income.

**b) Budget Information**

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has not been presented as this is the first year of operation.

**c) Taxes**

***Current Income Tax***

In FY 2021/2022 there were income tax paid.

***Value Added Tax***

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

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- When the VAT tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT 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 VAT tax included.

The net amount of VAT 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**

Siruti TVCA currently does not have any investment properties

**e) Property, Plant and Equipment**

All Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Siruti TVCA 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) Depreciation Policy**

Depreciation is charged annually on a reducing balance basis on the balance at year end. The depreciation rates for the Non-Current assets of the STVCA are outlined below:

Category	Estimated Useful Life	Depreciation rate
Buildings and other Civil works	40 years	2.5%
Plant, Machinery & Equipment	5 years	20%
Office Equipment	5 years	12.5%
Motor Vehicles	4 years	25%
Computer and related equipment	3 years	33.3%
Furniture and Fittings	8 years	12.5%

**g) Intangible Assets**

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

Siruti TVCA currently does not have any intangible assets.

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**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 are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Siruti TVCA.

**j) Provisions**

Provisions are recognized when Siruti TVCA 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 Siruti TVCA 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**

Siruti TVCA 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**

Siruti TVCA 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 Siruti TVCA 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) Nature and Purpose of Reserves**

Siruti Technical and Vocational College Awendo creates and maintains reserves in terms of specific requirements. Currently there are no specific reserves.

**l) Changes in Accounting Policies and Estimates**

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

**m) 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.

**n) Borrowing Costs**

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

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

**o) Related Parties**

Siruti Technical and Vocational College Awendo 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 Siruti TVCA, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**p) Service Concession Arrangements**

Siruti Technical and Vocational College Awendo 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, Siruti TVCA 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, Siruti TVCA also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**q) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held 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.

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**r) Comparative Figures**

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

**s) Subsequent Events**

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

**5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of Siruti Technical and Vocational College Awendo 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. Siruti Technical and Vocational College Awendo 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 Siruti Technical and Vocational College Awendo.

**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 Siruti TVCA
- 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

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**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
<b>Unconditional grants</b>		
Operational grant	5,077,500	702,676
Capitation grants	500,000	434,110
<b>Total government grants and subsidies</b>	<b>5,577,500</b>	<b>1,136,786</b>

**6a) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

<b>Name of entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income Kes</b>	<b>Amount deferred under deferred income Kes</b>	<b>Total comparative grant for previous 2020/2021</b>
			<b>Kes</b>
Ministry of Education	5,577,500	-	702,676
<b>Total</b>	<b>5,577,500</b>		<b>702,676</b>

**7. RENDERING OF SERVICES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Industrial attachment costs	454,030	1,133,987
Local transport	1,048,582	
Advertising		390,566
Examination fees	759,600	258,581
Postage	15,504	126,597
Printing and stationery	8,004	134,677
Tuition	2,218,725	129,291
Cleaning		183,162
Student Union	161,395	78,113
Internet Expenses	230,565	78,113
Library Expenses	7,500	53,700
Medical Expenses	92,226	129,291
Development	353,686	-
Others	15,130	51,178
EW&C	286,361	-
RMI	215,578	-
Personal Emolument	696,536	-
<b>Total revenue from the rendering of services</b>	<b>6,563,422</b>	<b>2,747,256</b>

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**8. SALES OF GOOD**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Sales of vegetables	3,990	-
<b>Total of sales of goods</b>	<b>3,990</b>	<b>-</b>

**9. OTHER INCOMES**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Sales of tender	17,000	-
<b>Employee Costs</b>	<b>17,000</b>	<b>-</b>

**10. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Teaching and learning materials	1,621,624	237,717
Industrial attachment costs	99,439	
Electricity	178,538	
Water	45,000	1,900
Subscriptions	600,620	197,000
Advertising	79,950	
Examination fees	759,600	
Travelling and accommodation	1,213,950	227,315
Postage	16,450	
Printing and stationery	137,788	
Contingencies	65,954	44,857
Activity	118,470	34,280
Cleaning	3,500	
Student Union	133,794	
Internet Expenses	17,697	
Library Expenses	7,500	
Medical Expenses	8,870	
Other	60,631	
PAYE	64,287	
<b>Total Goods and Services</b>	<b>5,233,662</b>	<b>743,069</b>

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**11. EMPLOYMENT COST**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kes</b>	<b>Kes</b>
Salary and Wages	1,874,382	397,700
<b>Total of employment cost</b>	<b>1,874,382</b>	<b>397,700</b>

**12. BOARD COUNCIL AND ALLOWANCES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kes</b>	<b>Kes</b>
Chairman's Honoraria	276,257	31,000
Member's Emoluments	654,000	254,500
Board related Expenses	201,730	32,629
	<b>1,131,987</b>	<b>318,129</b>

**13. DEPRECIATION AND AMORTIZATION EXPENSES**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Property, Plant and Equipment	1,981,371	1,319,822
<b>Total depreciation and amortization</b>	<b>1,981,371</b>	<b>1,319,822</b>

**14 REPAIR AND MAINTANANCE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
Property	151,500	62,493
<b>Total Grants and Subsidies</b>	<b>151,500</b>	<b>62,493</b>

**15.DETAILED ANALYSIS OF CASH AND CASH EQUIVALENT**

		<b>2021-2022</b>	<b>2020-2021</b>
<b>Financial institution</b>	<b>Account number</b>	<b>Kes</b>	<b>Kes</b>
<b>a) Current Account</b>			
National Bank of Kenya:			
Current account – Operational	1022234864700	1,121,185	1,883,870
Current account – Development	1022234864701	975,675	275
<b>Sub- total</b>		<b>2,096,860</b>	<b>1,884,145</b>
<b>Others</b>			
Cash in hand		52,148	
<b>Sub- total</b>		<b>52,148</b>	229,089
<b>Grand total</b>		<b>2,149,008</b>	<b>2,113,234</b>

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**16 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kes</b>	<b>Kes</b>
<b>Current Receivables</b>		
Student Debtors	1,314,853	563,789
<b>Total Current Receivables</b>	<b>1,314,853</b>	<b>563,789</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. RECEIVABLES FROM NON-EXCHANGE TRANSACTION**

Description	2021-2022		2020-2021	
	Kes		Kes	
advance repayment	18,500		0	
<b>Total Current Receivables</b>	<b>18,500</b>		<b>0</b>	

**18 INVENTORIES**

Description	2021-2022		2020-2021	
Consumable stores	114,500		0	
<b>Total Finance Costs</b>	<b>114,500</b>		<b>0</b>	

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**19 PROPERTY, PLANT AND EQUIPMENT**

Cost	Land	Buildings		Furniture and fittings	Computers	Office equipment	Plant and Equipment	Library Books	Capital		Total
									Work in progress		
At 1 July 2020				Kes	Kes	Kes	Kes		Kes	Kes	Kes
Additions/Transfers/Adjustments	4,500,000	50,300,000	412,360	-	-	86,216	-	-	1,200,000	-	56,498,576
At 30 <sup>th</sup> June 2021	4,500,000	50,300,000	412,360	-	-	86,216	-	-	1,200,000	-	56,498,576
At 1 July 2021	4,500,000	50,300,000	412,360	0	0	86,216	0	-	1,200,000	-	56,498,576
Additions			576,236	1,321,198	835,001	48,259	126,043	126,043	533,370	-	3,440,107
At 30 <sup>th</sup> June 2022	4,500,000	50,300,000	988,596	1,321,198	835,001	134,475	126,043	126,043	1,733,370	-	59,938,683
<b>Depreciation &amp; Impairment</b>											
Accumulated Depreciation At 1 July 2021	0	1,257,500	51,545	0	0	10,777	0	0	0	0	1,319,822
Charge for the Year		1,226,063	117,131	439,959	15,462	167,000	15,755	15,755	0	0	1,981,371
As at 30 June 2022		2,483,563	168,676	439,959	26,239	167,000	15,755	15,755	-	-	3,301,193
<b>Net Book Value</b>											
As at 30 June 2022	4,500,000	47,816,438	819,920	881,239	668,001	108,236	110,288	110,288	1,733,370	-	56,637,490
As at 30 June 2021	4,500,000	49,042,500	360,815	-	-	75,439	-	-	1,200,000	-	55,178,754

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**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b>	<b>Timeframe:</b>
<b>Transfers from The National Government</b>	<p>The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the Ministry of Education totalling Kes.1,136,786. However, the financial statements of Mawego Technical Training Institute (mentor institution) reflects Kes.2,437,500 in respect of conditional grants from the Ministry of Education for the College, resulting to an unexplained and unreconciled variance of Kes.1,300,714. In the circumstances, the accuracy and completeness of the transfers from the Ministry of Education amount of Kes.1,136,786 could not be confirmed.</p>	<p>With respect to the discrepancy of Kes 1,136,786 noted with Mawego TTI, TWO LETTERS have been written to the Principal Mawego TTI on 21/9/2022 and 4/10/2022. Principal STVCA visited Mawego on 14/2/2023 in attempt to resolve the issue. STVCA chairman has also two occasions met with Mawego TTI chairman on the same matter. Mawego is yet to communicate on discrepancy</p>	Ongoing	End of this Financial year (2022-2023)
<b>Budget Control and Performance</b>	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kes.4,523,520 and Kes.3,884,042</p>	<p>The college didn't receive q4 of the capitation.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>respectively resulting to an underfunding of Kes.639,478 or 14% of budget. Similarly, the College had a total expenditure of Kes.1,955,500 against an unapproved budget of Kes.3,942,123 resulting to an under-expenditure of Kes.1,986,623 or 50% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>			
<p><b>Unauthorised Payment of Sitting Allowances to Board Governors</b></p>	<p>The statement of financial performance reflects remuneration of Board of Governors amount of Kes.318,129. The amount includes sitting allowances of Kes.241,000 paid at the rates of Kes.15,000 and Kes.12,000 after tax to the chairman and other board members, respectively. However, the rates were not approved by the Cabinet Secretary in charge of Education as required under Section 17 of the Second Schedule of the Technical and Vocational</p>	<p>-The college already had a TVET number and also in a position to get KRA Pin. In the FY 2021/2022 all tax on the board allowances were filled                      -Sitting allowances to Board members communicated to the PS office on 7/6/2022 via <a href="mailto:psvtt2018@gmail.com">psvtt2018@gmail.com</a> subsequently on 15/7/2022 the same information for approval was send to Director TVET via <a href="mailto:dte.governance@gmail.com">dte.governance@gmail.com</a> no reply has been received from 3 offices but the institution followed the SRC guidelines for the board allowances</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>Educational and Training Act of, 2013.</p> <p>The expenditure also includes allowances paid to the Board Nomination Panel amounting to Kes.44,500 for which, no supporting circular or authority was provided for audit. Further, Management did not remit the taxes arising from the payment of sitting allowances as required under Section 3(1) of the Income Tax Act. In addition, the Board of Governors operated without an annual work plan for the year under review.</p> <p>In the circumstances, Management was in breach of the law</p>			
<b>Unbalanced Budget</b>	<p>The Management prepared a budget which reflects the final budgeted receipts of Kes.4,523,520 against budgeted expenditure of Kes.3,942,123 resulting to a variance of Kes.581,397. This is contrary to Regulation 33(c) of the Public Finance Management (National</p>	<p>The difference was partly not used by the fact that money was kept a side for utilization in July 2022 during the KNEC July 2022 Practical exams series. This was our first exam and the amount utilised to buy July practical equipments</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>Government) Regulations, 2015 which provides that the budget shall be balanced.</p> <p>In the circumstances, Management was in breach of the law.</p>			
<b>Lack of an Internal Audit Function and Audit Committee</b>	<p>The College had not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 73 of the Public Finance Management Act, 2012 which requires every national Government entity to have appropriate arrangements in place for conducting internal audit and establish an audit committee.</p> <p>In the circumstances, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.</p>	<p>The college has already established the Audit committee of the Board and also outsource internal audit function from Kisii National Polytechnic</p>	Resolved	