

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY	
DATE: 26 JUL 2023	DAY: WED
TABLED BY:	Hon Kimani Ichungwah, MP
OF	The leader, majority party
CLERK AT THE TABLE:	Miriam Mado

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**KIBWEZI WEST TECHNICAL AND
VOCATIONAL COLLEGE**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

31 MAY 2023

RECEIVED



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

Table of Contents

I.	Key Entity Information and Management.....	iii
II.	The Council of Board of Governors	viii
III.	Management Team.....	xi
IV.	Chairman's Statement.....	xiii
V.	Report of the Principal.....	xiv
VI.	Statement of performance against Predetermined objectives.....	xvi
VII.	Corporate Governance Statement.....	xxi
VIII.	Management Discussion and Analysis.....	xxiv
IX.	Environmental and Sustainability Reporting Statement.....	xxvi
X.	Report of the Council/Board of Governors.....	xxx
XI.	Statement of Board of Governors/Council Responsibilities.....	xxxix
XII.	Report of the Independent Auditor on the Kibwezi West TVC.....	xxxiii
XIII.	Statement of Financial Performance for the Year Ended 30 June, 2022.....	1
XIV.	Statement of Financial Position as at 30 June, 2022.....	2
XV.	Statement of Changes in Net Assets for the year Ended 30 June 2022.....	4
XVI.	Statement of Cash Flows for the Year Ended 30 June, 2022.....	5
XVII.	Statement of Comparison of Budget & Actual Amounts for the Year Ended 30 June, 2022.....	7
XVIII.	Notes to The Financial Statements	9
XIX.	Appendices.....	60



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE

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**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE, 2022**

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KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

Table of Contents

I.	Key Entity Information and Management.....	iii
II.	The Council of Board of Governors	viii
III.	Management Team.....	xi
IV.	Chairman's Statement.....	xiii
V.	Report of the Principal.....	xiv
VI.	Statement of performance against Predetermined objectives.....	xvi
VII.	Corporate Governance Statement.....	xxi
VIII.	Management Discussion and Analysis.....	xxiv
IX.	Environmental and Sustainability Reporting Statement.....	xxvi
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XVIII.	Notes to The Financial Statements	9
XIX.	Appendices.....	60

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

Core values

- (1). Accountability
- (2). Honesty and Integrity
- (3). Equity
- (4). Partnerships
- (5). Quality
- (6). Health and Safety
- (7). Gender Sensitivity

College Motto

- Skills for better Living.

Objectives of the College.

- (1). Upgrade on infrastructure, Facilities, and Environment.
- (2). Acquire and use modern ICT.
- (3). Promote linkages with the industry.
- (4). Promote Research and Development.
- (5). Improve Marketing of the Institute.
- (6). Create conducive working environment.
- (7). Strengthen the Financial Position of the College.

(c) Key Management

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

- The Principal
- Ag. Deputy Principal
- Ag. Registrar
- Ag. Deans of Students
- Finance Officer
- Heads of Departments

(d) Fiduciary Management

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

NO	DESIGNATION	NAME
1.	PRINCIPAL	MR. BENSON K MBEKE
2.	AG.DEPUTY PRINCIPAL	MR.MWALIMU MUTHAMI
3.	AG.REGISTRAR	MR. JOSEPH GAE
4.	AG.DEAN OF STUDENTS	MRS. HELLEN MUTHEU
5.	FINANCE OFFICER	MR. STEPHEN MUTUA

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

(e) Fiduciary Oversight Arrangements

➤ **Audit and risk committee activities**

- **Governance Initiatives:**
- Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- **Risk Management:**
- Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- **Internal Control Framework:**
- Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

- **Audit Activity:**
- Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- **Follow Up On Management Action Plans:**
- The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- **Financial Statements And Public Accountability Reporting:**
- The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

- **Government Oversight Activities**
- The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.
- The audit of the Instructional activities is undertaken by the Office of the Auditor General.

➤ **Finance and operations committee activities**

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

Terms of Reference

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

- To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- To receive reports from the Principal and the Finance Officer.
- To monitor implementation of the strategy for the College estate.
- To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

- To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for College services and facilities.
- To supervise the financial administration of the College and make recommendations to Board of Governors where appropriate.
- To supervise the arrangements for safeguarding the College's assets.
- To ensure the proper financial evaluation and control of projects.
- To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- To ensure the appropriate exploitation of the College's intellectual property.
- To make recommendations to Board of Governors on the financing of projects.
- To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- To supervise the College's purchasing procedures and practices.
- To submit an annual statement on its activities to Board of Governors.
- To keep under review the activities of the College's various departments.

➤ **Academic committee activities**

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

- To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- To approve programmes of study, regulate admission of persons to KIBWEZI WEST TVC and determine their continuation or discontinuation in such programmes.
- To determine the Academic policy of KIBWEZI WEST TVC and to advise the Board on the provision of facilities to carry out that policy,
- To direct and regulate the training and instruction within the College subject to the powers of the Board.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

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

(g) Entity Contacts

Mobile PhoneNumbers:

- +254780484873
- +254768284046

E-mails: kibweziwesttvc@gmail.com,

Website: www.kibweziwesttvc.ac.ke

(h) Entity Bankers

1. KCB Bank Kenya Limited, P. O. Box 269-90300 Wote –Branch Account No : 1279788674
--

(i) Independent Auditors

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

(j) Principal Legal Adviser

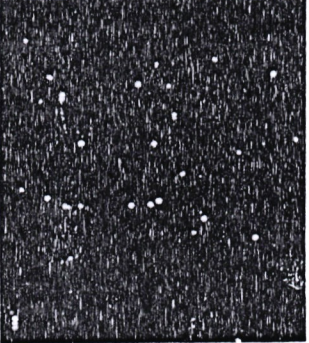
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE, 2022

II. The Council/Board of Governors

No.	Member/ Director	Details
1.	 MR. PETER MUTAVI	<u>Date of Birth</u> -1971 <u>Key Qualifications</u> Holds a Bachelor of science (Electrical & Electronics) <u>Work experience- 5 years</u> Standard print manager-5yrs Responsibility. Overall management of the board activities Chairperson of the BOG.
2.	 JOHN WAMAE	<u>Date of Birth</u> -1969 <u>Qualifications</u> Bachelor of Science, maths and computer Masters in applied statistics <u>Work experience -16 years</u> Education sector- County director Responsibility. Represents permanent secretary
3.	 BENSON K MBEKE	<u>Date of Birth</u> -1965 <u>Qualifications</u> Masters in business administration <u>Work experience -29 years</u> Deputy principal 2 ½ years PC regional coordinator (Rift valley) 9 years PC/ Strategic planning coordinator- 11 years HOD- 12 years DHOD- 8 years Responsibility. In charge of the overall management of the college. PRINCIPAL/ SECRETARY BOG

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

4.	 CORNELIA LIKU	<u>Date of Birth</u> -1972 <u>Key Qualifications</u> Holds a Bachelor of Science , University of Lesotho. <u>Work experience -22 Years</u> Lecturer -CUEA Head of Department. Responsibility. Member of the education committee
5.	 ANN KARIUKI	<u>Date of Birth</u> -1967 <u>Key Qualifications</u> Bachelor of Technology(Electrical &Engineering Technology) <u>Work experience – 5 Years</u> Consultant. Responsibility. Member of the risk and audit committee
6.	 BENARD OBUYA	<u>Date of Birth</u> – 1990 <u>Key Qualifications</u> Bachelor of Engineering industrial Textile Engineering. <u>Work experience –5 Years</u> Mechanical Engineer. Responsibility. Member of the finance committee
7.	 DANISH RAYOLA	<u>Date of Birth</u> – 1981 <u>Key Qualifications</u> Diploma in Law ,Kenya School of Law ,LLB(Hons),University of Nairobi Masters of laws LLM <u>Work experience -5 YEARS</u> Kenya associate Sumba &Mbogo advocates Responsibility. Member of the risk and audit committee

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

8.	 AMOS KAVITA	<u>Date of Birth</u> – 1987 <u>Key Qualifications</u> Bachelor of Electrical and Electronics engineering <u>Work experience -10 years</u> Electrical Engineer- Kenya power <u>Responsibility.</u> Member of the finance and administration committee
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KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

III. Management Team

No.	Member/ Director	Details
1.	 BENSON K MBEKE	<u>Date of Birth</u> -1965 <u>Qualifications</u> Masters in business administration <u>Work experience -29 years</u> Deputy principal 2 ½ years PC regional coordinator (Rift valley) 9 years PC/ Strategic planning coordinator- 11 years HOD-12 years DHOD- 8 years Responsibility. In charge of the overall management of the college. PRINCIPAL/ SECRETARY BOG
2.	 MWALIMU MUTHAMI	<u>Date of Birth</u> - 17/09/1991 <u>Qualifications</u> Bsc electrical &electronics Engineering <u>Work experience -1 year</u> Ag.Deputy Principal Responsibility. <u>Ag deputy principal</u>
3	 JOSEPH GAE	<u>Date of Birth</u> -1/12/1987 <u>Qualifications</u> Bachelor of business Computing <u>Work experience -1 year</u> Ag. Registrar. Responsibility. Ag registrar
4		<u>Date of Birth</u>...1991 <u>Qualifications</u> Higher National Diploma

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

	 HELLEN MUTHEU	<u>Work experience-4vrs</u> Traainer <u>Responsibility.</u> <u>Agdeanofstudents</u>
5	 STEPHEN MUTUA	<u>Date of Birth-...1984</u> <u>Qualifications</u> CPA K ICPAK Registered <u>Work experience-11vrs</u> Kiambani day and boarding primary school. <u>Responsibility.</u> <u>Finance officer</u>
<i>(Note: The Principal and the Secretary to the Council/ BoG will feature both under the 'Board' and 'Management').</i>		

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

IV. Chairman's Statement

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

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

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

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

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

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

Peter Mutavi

Chairman/Board of Governors

Sign.......... Date...30/05/2023....

V. Report of the Principal

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

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

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

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

Challenges

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

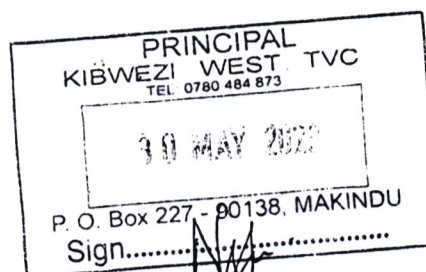
Continuous dynamics in the ICT sector is inevitable where both upgrade and updates of website are a priority. The college has no MIS for efficient of her services but due to minimal resources MIS in all our departments remains a dream to be actualized at unknown later date.

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

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

Benson K. Mbeke
Principal/ Secretary, BOG

Sign.....Date.....



VI. Statement of Performance against Predetermined Objectives

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

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

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

Thematic Area/Pillar 2. ICT Integration

Thematic Area/Pillar 3. Linkages with other institutions.

Thematic Area/Pillar 4. Research and Development.

Thematic Area/Pillar 5. Marketing of the college.

Thematic Area/Pillar 6. Social Welfare.

Thematic Area/Pillar 7. Resource Mobilization.

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

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

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

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

Pillar 4. Objective – to promote research and Development

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

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

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

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

Strategic Pillar		Objective	Key performance indicators	Activities	Achievements
Pillar 1.	Physical infrastructure	To develop/improve	-More land acquired.	-acquire additional	-College compound was fenced.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

	e, facilities and environment	ve infrastructure, facilities and environment.	-additional classroom -borehole drilled. -Fenced college compound. -equipped workshops. -CCTVs system. -college van -planted trees, flowers and land clearance.	- land. -acquire additional classrooms. -Construct workshop. -drilling of a borehole. - Equipping of workshops. -Fencing the college compound -CCTV-security system setting - purchase van - tree planting and beautification. - Acquire title deed for the land.	-workshops were equipped. -printing of trees, flowers and compound cleared. -title deed acquisition process was initiated. The survey has been completed.
Pillar 2.	ICT integration.	To acquire and use modern ICT systems	-laptops bought - purchased printers and photocopiers - Server system purchase and installation. - internet installation - College management system software.	-Acquire laptops -Acquire projectors -purchase printer , photocopier s -purchase servers - Air conditioners -purchase	-laptops were bought. -a projector was acquired. -photocopiers and printers were bought. -an internet system was installed. -computer software acquired.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

				and install a server - purchase and install training computers. - acquire college management software. -Installation of a internet system. - Computer software's purchase.	
Pillar 3.	Linkages with other institutions /organizations.	-To establish strong and working links with international, national, county government and NGO organizations.	- established partnerships and other linkages with organizations.	-establish exchange programs. -design and develop MOUs with other institutions	- a member of KATTI
Pillar 4.	Research and Development.	-To promote research and development.	-research resources required. -Report on research skills. -report on TNA -implemented research recommendations. -list of training participants. -new research facilities.	-allocate funds to research. -strengthen the research unit. -undertake training needs assessment -train staff in proposal writing and data	-Non has been undertaken so far.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

				build capacity in performance of duties and in management and leadership	
Pillar 7.	Resource mobilization	-To strengthen the financial and other resources status of the college.	- a food and beverage restaurant constructed - a driving school established as per the NTSA regulations - disposal of the idle assets	- a food and beverage restaurant constructed - a driving school established as per the NTSA regulations - disposal of the idle assets	- Plans are underway

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

			-implemented findings	analysis. -circulate proposal for possible funding	
Pillar 5.	Marketing the colleges and its programs.	-To market the college and its programs.	-completed media advert. -	- Advertising the college through various media. -Develop the college magazine. -Hold a graduation ceremony at least once a year. -Print calendars. -establish alumnae association. -conduct an open day. -exhibit in TVET fairs.	Plans on process
Pillar 6.	Create conducive working environment	-To create a conducive working and learning environment	- reward scheme in place - staff trips - student tours -awareness creation	- document a fair reward scheme - plan and hold staff trips and tours - continuous T&D to	- plans underway to have these in place

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

VII. Corporate Governance Statement

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

i. Appointment of BOG Members

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

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

ii. Major roles and Functions of Board of Governors

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

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;

- j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p) Providing for the welfare of the students and staff of the institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

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

iv. Meetings

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

v. Appointment of BOG Members

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

vi. Role and Functions of Board of Governors

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

- a. Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c. Administering and managing the property of the institution;
- d. Developing and implementing the institutions' strategic plan;
- e. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

vii. Board of Governors Allowances

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

viii. Meetings

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

VIII. Management Discussion and Analysis

1. FINANCIAL PERFORMANCE.

During the FY 2021-2022 institutions' enrolment grew tremendously by 147 students against the projected 50 students. This increase is attributed to vigorous marketing activities which were carried out during the financial year under review.

The increase in the number of students led to increase in revenues. During the financial year the institution realised Appropriation In Aid(AIA) totalling to **ksh 10,883,085** compared to the budgeted amount of **ksh 8,501,000** for that year. This translates to 28% increment. The amount was realised as follows:

- i) Rendering of services- fees from students amounting to ksh 6,601,585.
- ii) Sale of tender documents amounting to ksh 34,000.
- iii) Revenue from non-exchange transactions totalling to ksh 4,247,500 comprising mainly of government capitation and recurrent grants.

During the year under review, the institution expenditures amounted to ksh 9,715,884 where by use of goods and services was the main expenditure vote head totalling to ksh 6,139,843, where employees cost which includes the salaries for the institution employees amounted to ksh 3,100,563.

During the financial year 2021/2022 the institute realised a surplus of 1,167,201. From this amount and the closing balances for the financial year 2020/2021 enabled the college to carry out capital expenditure which comprised purchase of furniture and fittings, computers and other equipment totalling to a sum of ksh 1,540,471. At the close of the year under review the institute had a balance of ksh 649,772.

During the financial year sundry debtors amounted to ksh 3,014,840 which included uncollected fees arrears of ksh 1,882,340 and ksh 1,132,500 as a result of fourth quarter capitation which was not received.

In the year 2021/2022 sundry creditors amounted to ksh 589,050 which was mainly fees prepayments. At the end of the financial year the institute had ZERO pending bills.

2. COLLEGE CCOMPLIANCE WITH STATUTORY REQUIREMENTS.

Kibwezi West Tvc has registered with the following government agencies: NHIF, NSSF and KRA. The institute submits the relevant returns to the agencies on or before 9th of the following month or when they fall due.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

3. MAJOR RISKS FACING THE ENTITY.

The following are some of the major problems that the institute has currently been facing:

- Students uncertainty to their sustainability in the college
- In adequate training materials and equipments as the college
- Being occasioned by delayed disbursements of the government capitation.

4. MATERIAL ARREARS IN STATUTORY AND FINANCIAL OBLIGATIONS.

At the end of the financial year under review the institute had NIL creditor's bills and had no any arrears related to any compliance with the state regulations.

IX. Environmental and Sustainability Reporting Statement

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

1. Sustainability strategy and profile -

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

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

2. Environmental performance

Land Issue

The entity has an issue of land 15 Ha which is not sufficient enough for any meaningful growth to cater for expansion and future development of the College. The land has got no Title Deed to prove ownership. The only land ownership document available is an Allotment Letter. The entity is committed to continuously pursue with the County Government to allocate more land by re-locating the showground to the County Headquarters.

Water

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

3. Employee welfare

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

Specifically, the policy manual on progress intends to: -

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

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

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

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

4. Market place practices-

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

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

The college has great record in managing good supplier relation. We give timely orders to avoid unnecessary rush and panic buying which brings about misunderstanding. Once deliveries are done, the payment process starts and payment is done on the stipulated times in our service charter. Our suppliers are accorded professional service to ease operations. There are regular meetings held do to supplier evaluation to ensure the best is achieved and in case of any challenges they are ironed out

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

5. Corporate social responsibility/ community engagements.

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

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

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

Training the youths on varies area of need based on skills gap and a targeted out come for varying Youth groups.

- a) Hair dressing and beauty therapy.
- b) Entrepreneurial skills.
- c) Employability and life skills.
- d) First aid short course for truck drivers

The CSR activities

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

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

XI. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the **KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE** affairs.

Principal activities

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

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

The Auditor General is responsible for the statutory audit of **KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

Results

The results of the entity for the year ended June 30 are set out on page 1 to 6

Council/Board of Governors

The members of the Board /Council who served during the year are shown on pages *viii, ix & x*. During the year *no* director retired/ resigned and *none* was appointed with effect from xxxx date.

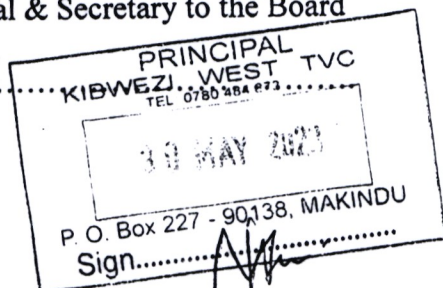
Auditors

The Auditor General is responsible for the statutory audit of **KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Principal & Secretary to the Board

Date.....



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

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

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

The BOG responsibility includes:

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

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

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

Approval of the financial statements

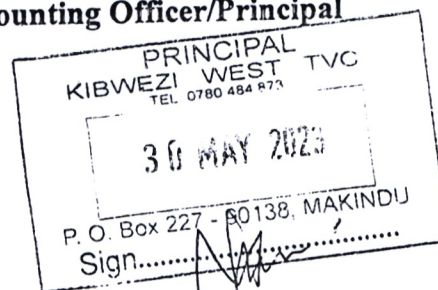
Kibwezi West TVC's financial statements were approved by the Board on 27th SEP, 2022 and signed on its behalf by:

.....
Peter Mutavi

Chairperson of the Board

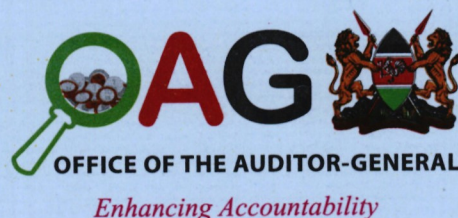
.....
Benson K. Mbeke

Accounting Officer/Principal



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REPORT OF THE AUDITOR-GENERAL ON KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

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 control, 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

Qualified Opinion

I have audited the accompanying financial statements of Kibwezi West Technical and Vocational College set out on pages 1 to 65, which comprise 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 of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kibwezi West Technical and Vocational College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies.

- i) The statement of financial performance reflects depreciation and amortization amount of Kshs.1,587,048, instead of recalculated amount of Kshs.1,539,771;
- ii) The statement of financial position reflects comparative cash and cash equivalents balance of Kshs.1,022,992 instead of the audited balance for 2020/2021 financial year of Kshs.1,042,992;
- iii) The statement of financial position reflects comparative property, plant and equipment's balance of Kshs.59,566,713 instead of the audited balance for 2020/2021 financial year of Kshs.58,397,456; and
- iv) The statement of cash flows reflects repair and maintenance amount of Kshs.462,870, while Note 19 to the financial statements reflects an amount of Kshs.428,280 resulting to an unreconciled variance of Kshs.34,590.

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

2. Variances Between Financial Statement Balances and Trial Balance

Review of the financial statements and the trial balance revealed the following variances:

	Description	Trial Balance Amount (Kshs.)	Financial Statements Amount (Kshs.)	Variance (Kshs.)
1	Accumulated Surplus	1,022,904	3,337,161	2,314,257
2	Trade and Other Payables	180,145	589,050	408,905
3	Advertising and Marketing	387,120	387,480	360
4	Depreciation and Amortization	0	1,587,048	1,587,048
5	Current Provisions	71,305	158,938	87,633

Further, the property, plant and equipment items which include, fixed intangible software, furniture, fixture and fittings and computers were included in the trial balance at cost instead of at depreciated amounts or at netbook values.

In addition, depreciation amount was omitted from the trial balance.

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

3. Misstatement of Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.56,860,898 as disclosed in Note 31 to the financial statements. However, recalculation of depreciation and net book values revealed balances of Kshs.1,539,771 and Kshs.56,898,675 instead of Kshs.1,577,016 and Kshs.56,860,898, respectively. Further, the asset register provided lacked details that include date of acquisition, depreciation rate, serial numbers, annual depreciation, net book value and asset condition.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.56, 860,898 could not be confirmed.

4. Inaccuracies in Revenue from Exchange Transactions

The statement of financial performance reflects rendering services-fees from students of Kshs.6,601,585 as disclosed in Note 10 to the financial statements. However, the revenue ledger accounts, and the trial balance provided for audit reflected amounts of Kshs.4,216,000 and Kshs.6,261,500 respectively, resulting to an unexplained variance of Kshs.2,385,585 and Kshs.340,085, respectively.

In the circumstances, the accuracy and completeness of rendering of services-fees from students of Kshs.6,601,585 could not be confirmed.

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

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 matters 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

Irregular Expenditure

- i) The statement of financial performance reflects Kshs.448,334 in respect of board/council expenses. Included in the amount is Kshs.30,000 paid to two employees from the Ministry of Education. The Management has not explained the basis of making payments and facilitating employees from other institutions.
- ii) A comparison of the statement of financial performance, the statement of comparison of the budget and actual amounts and approved budget revealed total over- expenditure of Kshs.2,966,039 against approved budget without approval as analyzed below:

Item	Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Over-Expenditure (Kshs)
Compensation of Employees	1,860,000	2,975,910	1,115,910
Travelling and Accommodation	440,000	1,324,175	884,175
Management Training	0	132,780	132,780
Skills Development Levies	326,000	326,802	802
BOG Meetings	280,000	448,334	168,334
General Office Expenses	0	475,758	475,758
Repairs and Maintenance	240,000	428,280	188,280
Total	3,146,000	6,112,039	2,966,039

Further, the statement of cash flows and Note 31 to the financial statements reflect acquisition of assets of Kshs.1,510,861. However, review of the approved budget revealed that the acquisition of assets was not budgeted for. In addition, the expenditure was not supported by records for procurement including evaluation minutes, Local Purchase Orders (LPOs) and inspection and acceptance committee minutes.

This was contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

In the circumstances, the expenditure was incurred irregularly and the 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 Policy Documents and Accounting System

Review of the College's records revealed that the College lack key policy documents, that include, risk management policy, Information Communication Technology (ICT) policy, finance manual and a human resource policy. These policies ensure areas of risk are addressed and mitigation is done, to protect the College against loss, fraud and non-compliance with laws and regulations. Further, the institution does not have an effective accounting system to ensure accurate and complete accounting records.

In the circumstances, the effectiveness of the operations and controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue 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 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.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

10 July, 2023

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE, 2022**

XIII. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,380,000.00	2,265,000.00
Total Revenue from Non-Exchange Transactions		6,380,000.00	2,265,000.00
Revenue from Exchange transactions			
Rendering of services- fees from students	10	6,601,585.00	1,945,110.00
Sale of goods	11	000	000
Other income- Sale of Tender documents	14	34,000.00	36,000.00
Revenue from Exchange transactions		6,635,585.00	1,959,722.00
Total Revenue		13,015,585.00	4,224,733.00
Expenses			
Use of goods and services	15	5,657,996.00	1,472,861.00
Employee costs	16	2,975,910.00	389,256.00
Board /Council Expenses	17	448,334.00	0.00
Depreciation and amortization expense	18	1,587,048.00	0.00
Repairs and maintenance	19	428,280.00	923,335.00
Finance costs- Bank charges	22	39,304.00	2,710.00
Total Expenses		11,136,872.00	2,788,162.00
Other Gains/(Losses)			
Gain on sale of assets	23	000	000
Unrealized gain on fair value of investments	24	000	000
Impairment loss	25	000	000
Total Other Gains/(Losses)		000	000
Net surplus for the year		1,878,713.00	1,458,448.66

(The notes set out on pages 9 to 59 form an integral part of the Annual Financial Statements).

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

Robert M. Muli

Chairman of Council/Board

Date

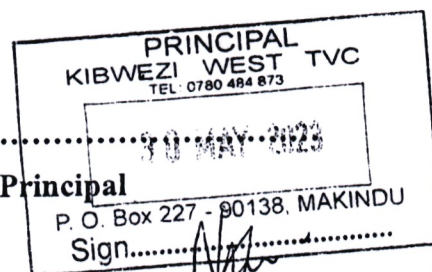
30/06/2023

STEPHEN MUKUA

Finance Officer

ICPAK No. 18616

Date



Date

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

XIV. Statement of Financial Position as at 30 June 2022

Description	Notes	2021-2022 Kshs.	2020-2021 Kshs.
Assets			
Current Assets			
Cash and cash equivalents	26	613,582.00	1,022,992.00
Current portion of receivables from exchange transactions	27(a)	1,705,710.00	1,426,085.00
Receivables from non-exchange transactions	28	2,632,500.00	500,000.00
Inventories	29	0.00	11,000.00
Total Current Assets		4,951,792.00	2,960,077.00
Non-Current Assets			
Property, plant, and equipment	31	56,860,898.00	59,566,713.00
Intangible assets- Computer software	32	30,400.00	18,000
Total Non- Current Assets		56,891,298.00	58,415,456
Total Assets		61,843,090.00	61,375,533
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	589,050.00	180,145.00
Refundable deposits from customers	35	0.00	0.00
Current provisions	36	158,938.00	71,304.25
Payments received in advance		590,430.00	180,145
Total Current Liabilities		749,368.00	251,449.25
Total Non-Current Liabilities		0.00	0.00
Total Liabilities		749,368.00	251,449.25
Net Assets		61,093,722.00	61,124,083.75
Accumulated Surplus		3,337,161.00	1,458,448.00
Capital Fund		57,756,561.00	59,665,635.75
Total Net Assets and Liabilities		61,093,722.00	61,124,083.75

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022.

The Financial Statements set out on pages 1 to 4 were signed by:

Peter Mutavi

Sign.....

Chairman of Council/Board

Date: 27/4/2023

Stephen Mutua

.....

Finance Officer

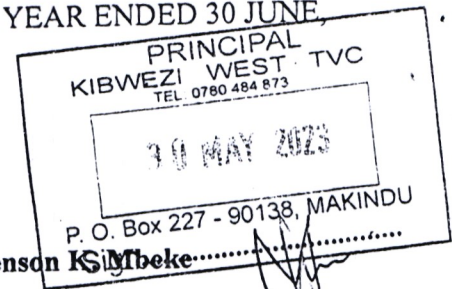
ICPAK No.18616

Date: 27/4/2023

Benson K. Mbeke

Principal

Date: 27/4/2023



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	000	000	000	000	000
Revaluation gain	000	-	-	-	000
Fair value adjustment on quoted investments	-	000	-	-	000
Total comprehensive income	-	-	000	-	000
Capital/development grants received during the year	-	-	1,458,448	59,685,635.75	61,144,083.75
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	000	(000)	-
At June 30, 2021	000	000	1,458,448	59,685,635.75	61,144,083.75
At July 1, 2021	000	000	1,458,448	59,685,635.75	61,144,083.75
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Capital/development grants received during the year	-	-	-	288,000	288,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	1,878,713.00	-	1,878,713.00
At June 30, 2022	000	000	3,337,161.00	59,973,635.75	63,310,796.75

(Note:

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

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

XVI. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	6,380,000.00	2,265,500
Public contributions and donations		0.00	000
Rendering of services- fees from students	10	6,601,585.00	1,945,110
Sale of goods		0.00	000
Rental revenue from facilities and equipment		0.00	000
Finance income		0.00	000
Other income		34,000.00	36,000
Total Receipts		13,015,585.00	4,246,610
Payments			
BoG Emoluments	17	448,334.00	000
Use of goods and services	15	5,657,996.00	1,472,861
Finance cost		0.00	000
Staff cost	16	2,975,910.00	389,256
Taxation paid		0.00	000
Repairs and maintenance	19	462,870.00	923,335
Operating expenses-Bank charges	22	39,304.00	2,710
Total Payments		6,608,504.00	2,788,162
Net Cash Flows from operating activities	43	6,407,081.00	1,458,448
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	31	1,510,861.00	415,456
Proceeds from sale of property, plant and equipment		000	000
Net cash flows used in investing activities		(1,510,861.00)	415,456
Cash flows from financing activities			
Proceeds From Borrowing		0.00	000
Repayment Of Borrowings		0.00	000
Deposits receipts		0.00	000
Net cash flows used in financing activities		0.00	000
Net Increase/(Decrease) in Cash and Cash equivalents		(4,896,220.00)	1,042,992
Cash and Cash equivalents at 1 JULY 2021	26	1,042,992.00	000
Cash and Cash equivalents at 30 JUNE 2022	26	613,582.00	1,042,992

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE,
2022.

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

The Financial Statements set out on pages 1 to 4 were signed by:

Peter Mutavi

Sign.....
Chairman of Council/Board

Date: 27/4/2023

Stephen Mutua

Sign.....
Finance Officer

ICPAK No.18616

Date: 27/4/2023

Benson K. Mbeke

Principal
KIBWEZI WEST TVC
TEL 0780 484 873
30 MAY 2023
P. O. Box 227 - 90138, MAKINDU
Date: 27/4/2023

**ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget		Adjustments		Final budget		Actuals comparable basis		Performance difference		Utilization Difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from other govt entities and govt grants	7,000,000		(000)		7,000,000		6,380,000.00		(620,000.00)		(9%)	
Public contributions and donations	000		(000)		000		000		(000)		0%	
Rendering of services- fees from students	1,501,000		(000)		1,501,000		6,601,585.00		5,100,585.00		340%	
Sale of goods	000		-		000		000		(000)		0%	
Finance income	000		-		000		000		000		0%	
Other income	000		-		000		34,000.00		33,000		100%	
Gain on disposal, rental income and agency fees	000		000		000				(000)		0%	
Total Income	8,501,000		(000)		8,501,000		12,981,585.00		(2,329,845)		27%	
Expenses												
Compensation of employees/salaries	1,860,000		-		1,860,000.00		2,975,910.00		(1,115,910.00)		(60%)	
Use of goods and services	6,341,000		(000)		6,341,000.00		5,657,996.00		(683,004.00)		(11%)	
Finance costs	000		(000)		000		39,304		(390,304.00)		(100%)	
Rent paid/Repairs & maintenance	300,000		(000)		300,000.00		428,280.00		(128,280.00)		(43%)	
Remuneration of directors	000		(000)		000		428,280.00		428,280.00		100%	
Grants and subsidies paid	000		-		000		0.00		0.00		0.00%	
Total Expenditure	8,501,000		(000)		8,501,000		9,101,460.00		(1,889,218.00)		(22%)	
Surplus for the period	000		000		000		3,880,125.00		(3,880,125.00)		(100%)	

(Budget notes)

1. Transfers from government- Grants and capitation income fell short of the target by 9% points only. Estimates were fairly close to the actual target.
2. Rendering of services exceeded the budget by a significant margin of 340%. Only 50 fees paying students were expected to be admitted but this number was more than double (123) bringing on board the extra revenue.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022.

3. *Other income could not be reasonably estimated during budgeting due to lack of precedence in terms of the possible sources of the same. This explains the 100% variance.*
4. *Compensation of employees/staff costs reported an adverse variance of 60% due to the high unanticipated number of tutorial staff who needed to be employed to teach the high unexpected number of students.*
5. *Use of goods expenditure variance 11 % adverse was fairly within sight of the target suggesting a fairly close monitoring of the operating expenditure budget.*
6. *Finance costs- bank charges had not been budgeted for due to lack of foresight in respect of what they could have been and therefore the 100% adverse variance.*
7. *Repairs and maintenance exceeded budget by 43% especially to fencing repairs and customization expenses on premises to make it suitable for purpose. Inter vote borrowing was done to make this possible.*
8. *Depreciation of fixed assets and provisions for receivables account for as part of the variance in the total surplus variance in addition to the estimation that there would be no surplus/deficit as at the year end.*

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

XVIII. Notes to the Financial Statements

1. General Information

Kibwezi West TVC entity is established by and derives its authority and accountability from education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

2. Statement of Compliance and Basis of Preparation

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. **Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

IPSASB deferred the application date of standards from 1st January 2022 owing to covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Standard	Effective date and impact:
	• <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxxx on the FY 2021/2022 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years.

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

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

e) Property, plant and equipment

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

“The estimates of the residual value and useful life of the College’s fixed assets shall be reviewed at each financial year end for its relevance, appropriateness, any changes in the residual value and useful life of the assets shall be accounted for prospectively as provided for in IPSAS 3 ‘Changes in accounting estimates’.”

“KWTVC shall depreciate her assets using the straight line method over the expected

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

estimate of its useful life.

The following assets shall not be depreciated:

- (i) Inventories, as they are held at lower of cost and net realizable value
- (ii) Land holdings, where its service potential is not expected to diminish with time or use
- (iii) Works in progress assets, as depreciation only begins when an asset is available for use in the location and condition necessary for it to be operated in the manner intended by management.

The KWTVC's assets shall be depreciated as per the criteria set out below;

- Buildings 2.5%
- Furniture 5%
- Motor Vehicles 12.5%
- ICT Equipment 10%
- Plant & Equipment 2%

Verification Annual physical count of assets will be organized in the College and a representative from the Finance Section shall be among the verification team. It shall be the responsibility of the Finance Department in conjunction with Procurement department to reconcile the asset register to the annual physical count results. Losses and exceptions noted shall be reported in writing to the responsible officers and copied to the Accounting Officer.”
KWTVC Finance Policy and Procedure Manual 7.10, 7.11.

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

g) Intangible assets

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

“IPSAS 31 defines these as identifiable non-monetary assets without physical substance. An intangible asset shall only be recognized if it is probable that future economic benefits shall flow to the College over its useful life and the cost of the asset can be measured reliably.

Intangible assets acquired through an exchange transaction shall be on initial recognition be measured at its purchase price and any attributable costs of preparing the assets for its intended use. It will be amortized at a rate of 33% on cost p.a.

Where an intangible asset is acquired through a non-exchange transaction its initial cost shall be its fair value as at the date of acquisition. An intangible asset with a finite useful life shall be amortized over its useful life.

Those with indefinite useful life shall not be amortized instead they shall be tested for impairment annually or earlier whenever there is an indication that the intangible asset is impaired.” Kibwezi West Tvc Finance Policy And Procedure Manual 17.6.2

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

j) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method
- 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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

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

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022 Kshs	2020-2021 Kshs
Unconditional Grants		
Capitation Grants	4,380,000.00	
Operational Grant	2,000,000.00	
Other Grants		
Conditional Grants		
Total Government Grants and Subsidies	6,380,000.00	

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund Kshs	Total grant income during the year Kshs	2020-2021 Kshs
State Department	000	000	000	000	000
Ministry	000	000	000	000	000
Total	000	000	000	000	000S

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022 Kshs	2020-2021 Kshs
JICA- Research Grant	000	000
World Bank Grants	000	000
In-Kind Donations	000	000
Other Grants	000	000
Total Grants from Development Partners	000	000

Reconciliations of grants from donors and development partners

Description	2021-2022 Kshs	2020-2021 Kshs
Balance unspent at beginning of year	000	000
Current year receipts	000	000
Conditions Met - Transferred to Revenue	000	000
Conditions Yet To Be Met - Remain Liabilities	000	000

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022 Kshs	2020-2021 Kshs
Transfer from County	000	000
Transfer from University	000	000
Transfer from Institute	000	000
Total Transfers	000	000

9. Public Contributions and Donations

Description	2021-2022 Kshs	2020-2021 Kshs
Public Donations	000	000
Donations from Local Leadership	000	000
Donations from Religious Institutions	000	000
Donations from Alumni	000	000
Other Donations	000	000
Total Donations and Contributions	000	000

(Provide brief explanation for this revenue)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022 Kshs	2020-2021 Kshs
Tuition Fees	2,547,592.00	627,612.00
Activity Fees	289,780.00	66,470.00
Industrial Attachment Fees	508,660.00	95,380.00
Examination Fees	752,213.00	0.00
Personal Emoluments	891,070.00	224,020.00
L,T&T	411,240.00	114,160.00
EWC	441,960.00	169,550.00
RMI	230,360.00	346,295.00
Caution fee	108,730	56,670.00
Start-up kit	34,140.00	78,900.00
KUCCPS	187,710.00	80,530.00
Student council	70,460.00	36,540.00
Registration Fees	65,770.00	27,595.00
Student ID	61,900.00	0.00
Total Revenue from The Rendering of Services	6,601,585.00	1,923,722.00

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	2021-2022 Kshs	2020-2021 Kshs
Sale of Books	000	000
Sale of Publications	000	000
Sale of Farm Produce	000	000
Cafeteria sales	000	000
Other	000	000
Total Revenue from Sale of Goods	000	000

(Provide brief explanation for this revenue)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment	000	000
Contingent Rental	000	000
Operating Lease Revenue	000	000
Total	000	000

(Provide brief explanation for this revenue)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

13. Finance Income

Description	2021-2022 Kshs	2020-2021 Kshs
Cash investments and fixed deposits	000	000
Interest income from treasury bills	000	000
Interest income from treasury bonds	000	000
Interest from outstanding debtors	000	000
Total finance income	000	000

(There was no finance income realised)

14. Other Income

Description	2021-2022 Kshs	2020-2021 Kshs
Insurance recoveries	000	000
Consultancy fees	000	000
Income from sale of tender	34,000	36,000
Services concession income	000	000
Reimbursements and refunds	000	000
Graduation fees	000	000
Miscellaneous (<i>specify</i>)	000	000
Total other income	34,000	36,000

(This income was realised from sale of tender documents).

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes To The Financial Statements (Continued)

15. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	815,225.00	372,776
Industrial attachment costs	41,244.00	000
Electricity& water	107,903.00	9,550
Professionaland consultancyservices	201,200.00	000
Subscriptions	82,800.00	149,680
Advertising& marketing	387,480.00	202,770
Examination fees (KNEC)	973,480.00	000
Audit fees	36,600.00	000
Travelling and accommodation	1,324,175.00	423,300
Refunds to students	29,180.00	000
Licenses and permits	44,000	29,000
Printing and stationery	611,499.00	165,684
Fines and penalties	10,000.00	000
Skills development (games and sports)	326,,802.00	3,200
Telephone expenses& postage	58,230.00	45,000
Management training	132,780.00	000
Central admin expenses	475,758.00	24,570
Totalgood and services	5,657,996.00	1,472,861

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022 Kshs	2020-2021 Kshs
Salaries and wages	2,819,460.00	389,256.00
Employee related costs- contributions to pensions and medical aids (NSSF & NHIF)	156,450.00	0.00
Employee Costs	2,975,910.00	389,256

17. Board/Council Expenses

Description	2021-2022 Kshs	2020-2021 Kshs
Chairman's Honoraria	50,000.00	0.00
Directors Emoluments	268,000.00	0.00
Other Allowances	71,600.00	0.00
Other Board/Council Expenses	58,734.00	0.00
Total	448,334.00	0.00

18. Depreciation and Amortization expense

Description	2021-2022 Kshs	2020-2021 Kshs
Property, plant and equipment	1,577,016.00	0.00
Intangible assets	10,032.00	0.00
Total depreciation and amortization	1,587,048.00	0.00

19. Repairs and Maintenance

Description	2021-2022 Kshs	2020-2021 Kshs
Property	276,870.00	211,256.00
Equipment and machinery	11,810.00	0.00
Furniture and fittings	139,600.00	503,789.00
Computers and accessories	0.00	208,290.00
Total Repairs and Maintenance	428,280.00	923,335.00

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022 Kshs	2020-2021 Kshs
Actuarial valuations	000	000
Investment valuations	000	000
Property valuations	000	000
Total contracted services	000	000

21. Grants and Subsidies

Description	2021-2022 Kshs	2020-2021 Kshs
Community Development	000	000
Education Initiatives and Programs	000	000
Social Development	000	000
Community Trust	000	000
Sporting Bodies	000	000
Total Grants and Subsidies	000	000

22. Finance Costs

Description	2021-2022 Kshs	2020-2021 Kshs
Bank charges	39,304.00	2,710.00
Total Finance Costs	39,304.00	2,710.00

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

23. Gain On Sale of Assets

Description	2021-2022 Kshs	2020-2021 Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Other Assets not capitalised	000	000
Total Gain On Sale of Assets	000	000

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2021-2022 Kshs	2020-2021 Kshs
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**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Investments at Fair Value	000	000
Total Gain	000	000

25. Impairment Loss

Description	2021-2022 Kshs	2020-2021 Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Total Impairment Loss	000	000

26. Cash and Cash Equivalents

Description	2021-2022 Kshs	2020-2021 Kshs
Current Account	612,582.00	1,022,904.00
Others (cash at hand)	1,000.00	20,088.00
Total Cash and Cash Equivalents	613,582.00	1,042,992.00

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1279788674	612,582.00	1,022,904
Equity Bank, etc.		0.00	000
Sub- Total		612,582.00	1,022,904
b) On - Call Deposits			
Kenya Commercial Bank		000	000
Equity Bank – etc.		000	000
Sub- Total		000	000
c) Fixed Deposits Account			
Kenya Commercial Bank		000	000
Bank B		000	000
Sub- Total		000	000
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		000	000
Bank B		000	000
Sub- Total		000	000
e) Others(Specify)			
Cash in Transit		000	000
Cash in Hand		1,000	088
Mobile Money account		000	000
Sub- Total		1,000	20,088
Grand Total		613,582.00	1,042,992

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
		Kshs
Current Receivables		
Student Debtors	1,705,710.00	1,426,085.00
Less: Impairment Allowance	(000)	(000)
Total Current Receivables	1,705,710.00	1,426,085.00

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	000	000
Advance Payments	000	000
Public Organizations	000	000
Less: Impairment Allowance	(000)	(000)
Total	000	000
Current Portion Transferred to Current Receivables	(000)	(000)
Total Non-Current Receivables	000	000
Total Receivables	000	000

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	71,304.25	000
Provisions during the year	94,117.00	71,304.25
Recovered during the year	(000)	(000)
Write offs during the year	(000)	(000)
At the end of the year	165,421.25	71,304.25

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2021-2022 Kshs	2020-2021 Kshs
Current Receivables		
MoE Capitation Grants*	1,132,500.00	500,000.00
Transfers from Other Govt. (MoE)	1,500,000.00	000
Less: Impairment Allowance	(000)	(000)
Total Current Receivables	2,632,500.00	500,000.00

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

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

Description	2021-2022 Kshs	2020-2021 Kshs
At the beginning of the year	0.00	000
Additional provisions during the year	000	000
Recovered during the year	(000)	(000)
Written off during the year	(000)	(000)
At the end of the year	000	000

29. Inventories

Description	2021-2022 Kshs	2020-2021 Kshs
Consumable stores	0.00	0.00
Maintenance stores	0.00	0.00
Health Unit stores	0.00	0.00
Electrical stores	0.00	0.00
Cleaning Materials stores	0.00	5,000.00
Catering stores	0.00	6,000.00
Total Inventories at lower of Cost and Net Realizable Value	0.00	11,000.00

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

30. Investments

Description	2021-2022 Kshs	2020-2021 Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	000	000
CBK	000	000
Sub- Total	000	000
b) Investment with Financial Institutions/ Banks		
Bank X	000	000
Bank Y	000	000
Sub- Total	000	0000
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company Xxx	000	000
Sub- Total	000	000
Grand Total	000	000

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
Entity A	000	000	000	000	000	000
Entity B	000	000	000	000	000	000
	000	000	000	000	000	000

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (Specify) Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
At 1 July 2020	58,000,000.00	xxx	0.00	0.00	xxx	0.00	Xxx	58,000,000.00
Additions	0.00	xxx	397,456.00	52,000.00	xxx	1,169,257.00	Xxx	1,618,713.00
Disposals	(0.00)	(xxx)	0.00	0.00	(xxx)	0.00	(xxx)	(0.00)
Transfers/Adjustments	0.00	(xxx)	0.00	(0.00)	(xxx)	0.00	Xxx	(0.00)
At 30 th June 2021	58,000,000.00	xxx	397,456.00	52,000.00	xxx	1,169,257.00	Xxx	59,618,713.00
Additions	0.00	xxx	878,875.00	631,986.00	xxx	xxx	Xxx	1,510,861.00
Disposals	(0.00)	-	0.00	0.00	(xxx)	-	(xxx)	(0.00)
Transfer/Adjustments	(0.00)	xxx	0.00	(52,000.00)	(xxx)	(1,169,257.00)	Xxx	(1,221,257.00)
At 30 June 2022	58,000,000.00	xxx	1,276,331.00	631,986.00	xxx	0.00	Xxx	59,908,319.00
Depreciation And Impairment								
At 1 July 2021 - Accm. b/d	(1,450,000.00)	(xxx)	(19,873.00)	(5,200.00)	(xxx)	(23,385.00)	(xxx)	(1,475,073.00)
Depreciation	(1,450,000.00)	(xxx)	(63,817.00)	(63,199.00)	(xxx)	0.00	(xxx)	(1,577,016.00)
Impairment	(0.00)	-	0.00	-	(xxx)	0.00	-	(0.00)
At 30 June 2022	(2,900,000.00)	xxx	(83,689.00)	(68,399.00)	xxx	(23,385.00)	Xxx	(3075473.00)
Depreciation	(0.00)	(xxx)	(xxx)	-	(xxx)	(xxx)	(xxx)	(xxx)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (Specify) Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
Disposals	0.00	-	-	-	xxx	-	Xxx	xxx
Impairment	(0.00)	(xxx)	-	-	(xxx)	-	-	(xxx)
Transfer/Adjustment	0.00	(xxx)	(xxx)	5,200.00	(xxx)	23,385.00	(xxx)	28,585.00
At 30 th June 2022	(2,900,000.00)	0.00	(83,689.00)	63,199.00	xxx	0.00	Xxx	3,046,888.00
Net Book Values								
At 30 th June 2021	56,550,000.00	xxx	377,583.00	46,800.00	xxx	0.00	0.00	56,974,383.00
At 30 th June 2022	55,100,000.00	xxx	1,192,641.00	568,257.00	xxx	0.00	0.00	56,860,898.00

- There was no work in progress.
- The adjustment of kshs. 52,000.00 + 1,169,257.00 = 1,221,257.00 is a write-off of the ICT Hub equipment which had been erroneously included as college assets but belong to the Ministry of ICT.
- The depreciation adjustment of kshs. 5,200.00 + 23,385.00 = 28,585.00 is the accumulated depreciation on the assets written-off from the books.

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on xxx.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost Kshs	Accumulated Depreciation Kshs	NBV
Land	0.00	0.00	0.00
Buildings	58,000,000.00	0.00	58,000,000.00
Plant And Machinery	0.00	0.00	0.00
Motor Vehicles including Motorcycles	0.00	0.00	0.00
Computers and Related Equipment	631,986.00	0.00	651,986
Office Equipment, Furniture, And Fittings	1,276,331.00	0.00	888,485
Total	59,510,861.00	0.00	59,540,471

32. Intangible Assets

Description	2021-2022 Kshs	2020-2021 Kshs
Cost		
At beginning of the year	18,000.00	000
Additions	20,000.00	18,000.00
At end of the year	38,000.00	18,000.00
Additions—internal development	0.00	0.00
At end of the year	0.00	0.00
Amortization and impairment		
At beginning of the year	0.00	0.00
Amortization	7,600.00	0.00
At end of the year	7,600.00	0.00
Impairment loss	(7,600.00)	0.00
At end of the year	38,000.00	18,000.00
NBV	30,400.00	18,000.00

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022 Kshs	2020-2021 Kshs
At beginning of the year	xxx	000
Additions	xxx	000
Disposal during the year	(xxx)	(000)
Depreciation	(xxx)	(000)
Impairment	(xxx)	(000)
At end of the year	xxx	000

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

34. Trade and Other Payables from Exchange transactions

Description	2021-2022 Kshs	2020-2021 Kshs
Trade payables	0.00	0.00
Fees paid in advance	589,050.00	180,145.00
Salary deductions	0.00	0.00
Third-Party Payments	0.00	0.00
Other Payables	0.00	0.00
Total Trade and Other Payables	589,050.00	180,145.00

35. Refundable Deposits from Customers/Students

Description	2021-2022 Kshs	2020-2021 Kshs
Consumer deposits	xxx	000
Caution money	xxx	000
Other refundable deposits	xxx	000
Total Deposits	xxx	000

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

36. Current Provisions

Description	Leave provision Kshs	Bonus provision Kshs	Gratuity Provisions Kshs	Other provision Kshs	Total Kshs
Balance at The Beginning Of The Year	xxx	xxx	xxx	xx	xxx
Additional Provisions	xxx	xxx	xxx	xx	xxx
Provision Utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change Due To Discount And Time Value For Money	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers From Non -Current Provisions	xxx	xxx	xxx	xx	xxx
Total Provisions	xxx	xxx	xxx	xx	xxx

37. Finance Lease Obligation

Description	2021-2022 Kshs	2020-2021 Kshs
At the start of the year	000	000
Discount interest on Lease Liability	000	000
Paid during the year	(000)	(000)
At end of the year	000	000

Maturity Analysis

Period	Amount Kshs
Year 1	000
Year 2	000
Year 3	000
Year 4	000
Year 5 and Onwards	000
Less: Unearned Interest	(000)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	000
Non- Current	000
Total	000

38. Deferred Income

Description	2021-2022 Kshs	2020-2021 Kshs
NationalGovernment	000	000
InternationalFunding Bodies	000	000
PublicContributionsandDonations	000	000
TotalDeferredIncome	000	000

The deferred income movement is as follows:

Description	Nationalgov ernment Kshs	Internationa lfunders/ donors Kshs	Publiccontri butionsandd onations Kshs	Total Kshs
Balance brought forward	000	000	000	000
Additions during the year	000	000	000	000
Transfers to capital fund	(000)	(000)	(000)	(000)
Transfers to income statement	(000)	(000)	(000)	(000)
Other transfers	(000)	(000)	(000)	(000)
Balance carried forward	000	000	000	000

Analysed as:

Description	Amount
	Kshs
Current	000
Non- Current	000
Total	000

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total Employee Benefits Obligation	xxx	xxx	xxx	xxx	xxx

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022 Kshs	2020-2021 Kshs
The return on defined plan assets	xxx	xxx
Actuarial gains/ losses arising from changes in demographic assumptions	xxx	xxx
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	xxx	xxx
Actuarial gains and losses arising from experience adjustments	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Adjustments for restrictions on the defined benefit asset	xxx	xxx
Remeasurement of the net defined benefit liability (asset)	xxx	xxx

- b) Amounts recognised in the Statement of Financial Position

Description	2021-2022 Kshs	2020-2021 Kshs
Present value of defined benefit obligations(a)	xxx	xxx
Fair value of plan assets(b)	(xxx)	(xxx)
Funded status(=a-b)	xxx	xxx
Restrictions on asset recognised	xxx	xxx
Others	xxx	xxx
Net asset or liability arising from defined benefit obligation	xxx	xxx

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes To The Financial Statements (Continued)

40. Non-Current Provisions

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

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

41. Borrowings

Description	2021-2022 Kshs	2020-2021 Kshs
Balance at beginning of the year	xxx	xxx
External borrowings during the year	xxx	xxx
Domestic borrowings during the year	xxx	xxx
Repayments of external borrowings during the year	(xxx)	(xxx)
Repayments of domestic borrowings during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

41 a) Analysis of External and Domestic Borrowings

Description	2021-2022 Kshs	2020-2021 Kshs
External borrowings		
Dollar denominated loan from 'xxorganization'	xxx	xxx
Sterling pound denominated loan from 'yyy organization'	xxx	xxx
Euro denominated loan from 'zzz organization'	xxx	xxx
Domestic borrowings		
Kenya shilling loan	xxx	xxx
Total balance at end of the year	xxx	xxx

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

41 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

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

42. Service Concession Arrangements

Description	2021-2022	2020-2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	xxx	xxx
Accumulated depreciation to date	(xxx)	xxx
Net carrying amount	<u>xxx</u>	<u>xxx</u>
Serviceconcessionliabilityat beginning of the year	xxx	xxx
Serviceconcessionrevenue recognized	(xxx)	(xxx)
Serviceconcessionliabilityat end of the year	<u>xxx</u>	<u>xxx</u>

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

43. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax		
Adjusted for:		
Depreciation	1,587,048.00	xxx
Non-Cash grants received	(2,132,500.00)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	39,304.00	2,710.00
Working Capital Adjustments		
Increase in Inventory	(11,000.00)	(11,000.00)
Increase in Receivables	(0.00)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables		xxx
Increase in Payments received in advance	410,245.00	xxx
Net Cash Flow from Operating Activities	(95,903.00)	(11,000.00)

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

44. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

the statement of financial position are net of allowances for doubtful receivables, estimated by

KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Notes to the Financial Statements (Continued)

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2022				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

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

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

(ii) Liquidity risk management

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2021				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2022				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

a) Foreign currency risk

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

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
At 30 June 2022			
Financial Assets (Investments, Cash, Debtors)	xxx	xxx	xxx
Liabilities			
Trade and Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

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

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)	xxx	xxx	xxx
Liabilities			
Trade and Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

a) Foreign currency sensitivity analysis

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

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

b) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshsxxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2022 – Kshs xxx)

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes To The Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2021-2022 Kshs	2020-2021 Kshs
Revaluation Reserve	xxx	xxx
Retained Earnings	xxx	xxx
Capital Reserve	xxx	xxx
Total Funds	xxx	xxx
Total Borrowings	xxx	xxx
Less: Cash and Bank Balances	(xxx)	(xxx)
Net Debt/(Excess Cash and Cash Equivalents)	xxx	xxx
Gearing	xx%	xx%

45. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

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

Description	2021-2022 Kshs	2020-2021 Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	xxx	xxx
Rent income from govt. agencies	xxx	xxx
Water sales to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
B) Purchases from related parties		
Purchases of electricity from kplc	xxx	xxx
Purchase of water from govt service providers	xxx	xxx
Rent expenses paid to govt agencies	xxx	xxx
Training and conference fees paid to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
b) Grants /Transfers from the Government		
Grants from National Govt	xxx	xxx
Grants from County Government	xxx	xxx
Donations in Kind	xxx	xxx
Total	xxx	xxx
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	xxx	xxx
Payments for Goods and Services for XX	xxx	xxx
Total		
d) Key Management Compensation.		
Directors' emoluments	xxx	xxx
Compensation to Key Management	xxx	xxx
Total	xxx	xxx

46. Segment Information

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

47. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022 Kshs	2020-2021 Kshs
Contingent Assets		
Insurance Reimbursements	xxx	xxx
Assets arising from determination of Court Cases	xxx	xxx
Reimbursable Indemnities and Guarantees	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

Contingent Liabilities

Description	2021-2022 Kshs	2020-2021 Kshs
Contingent Liabilities	xxx	xxx
Court Case Xxx against (<i>The Entity</i>)	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
Contingent liabilities arising from Contracts including PPPs	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

(Give details)

48. Capital Commitments

Capital Commitments	2021-2022 Kshs	2020-2021 Kshs
Authorised for	xxx	xxx
Authorised and Contracted for	xxx	xxx
Total	xxx	xxx

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

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

Description	2021-2022 Kshs	2020-2021 Kshs
Accelerated Capital Allowances	xxx	xxx
Unrealised Exchange Gains/(Losses)	xxx	xxx
Revaluation Surplus	xxx	xxx
Tax Losses carried forward	(xxx)	(xxx)
Provisions for Liabilities and Charges	(xxx)	(xxx)
Net Deferred Tax Liability/(Asset)	xxx	xxx
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	xxx	xxx
Credit to revaluation reserve	(xxx)	(xxx)
Under provision in prior year	xxx	xxx
Income statement charge/(credit)	xxx	xxx
Balance at end of the year	xxx	xxx

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

50. Events After The Reporting Period

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

51. Ultimate And Holding Entity

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

52. Currency

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

XIX. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MH/AUD/KBWEST/TVVTC/2020/2021/(10)	Unclear Reporting Period	The institution has correctly indicated the dates when the college started operations	Resolved	Resolved
	Unconfirmed Capital Fund	This mainly comprised of the college buildings, furniture & fittings which was mainly donated by the government and the mentor institution and whose values the institution has correctly captured in the financial statements.	Resolved	Resolved
	Lack of a General Ledger	The institution has initiated the process of putting the general ledger in place	Not resolved	31 ST Dec 2022
	Inaccurate Property, plant & equipment Movement schedule	The excluded amounts of Ksh. 1,169,257 being ICT Hub donated by Kibwezi West NGCDF & furniture printers valued at 34,000 in the handing	Resolved	Resolved

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Reference No. on the external audit Report		Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
			over report have been correctly captured in the financial statements.		
		Variances in Trial balance & 2 020-2021 financial statements	The variances have already been reconciled in the amended financial statements	Resolved	resolved
		Ownership documents for institutes Land	The only available document for the land is an allotment letter. Efforts to get the title deed from the County government is in top gear	Not resolved	30th June 2023
		Misclassification of Expenditure	This has already been rectified in the amended financial statements	Resolved	Resolved
		Revenue from Exchange Transactions	The differences in the Financial statements and the cashbook have been reconciled in the amended financial report	Resolved	Resolved
		Inaccuracy of Cash and Cash equivalents balance	This has been corrected in the amended financial statements	Resolved	Resolved
		Trade & other payables from	The inconsistencies have been reconciled	Resolved	Resolved

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Reference No. on the external audit Report		Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		exchange transactions-variance between Financial statements & ledger figures			
		Use of goods & services- Misstatement of financial statement balance	The institution is in the process of putting in place the relevant ledgers in place	Not resolved	31ST Dec 2022
		Receipts from non exchange transactions	This has been reconciled in the amended financial statements	Resolved	Resolved
		Unsupported Expenditure	The institution has since procured official LPOs from the Sub county treasury offices and an inspection & acceptance committee has since been put in place.	Resolved	Resolved
		Use of goods & services	The institution has since procured official LPOs and LSOs from the Sub county treasury offices.	Resolved	Resolved
		Budgetary control	The institution has put in place	Resolved	Resolved

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Reference No. on the external audit Report		Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		and performance	fees collection mechanisms in order to improve revenue collections .Preparation of annual estimates and seeking approvals for the same has also been implemented.		
		Non compliance with IPSAS reporting standards.	The institution has since then complied with the reporting standards as demonstrated in the amended financial statements.	Resolved	Resolved
		Errors in the Report of the Board of Governors	The errors have been rectified	Resolved	Resolved
		Unconfirmed Inventories Balance	Aboard of survey has been put in place for purposes of inspecting and confirming the value & stock levels	Resolved	Resolved
		Lack of Human Resource Manual	The institution is in the process of developing a Human Resource manual	Not resolved	31st Oct 2022
		Lack of a Risk Management Policy and Disaster Recovery plan	The institution is in the process of developing a risk Management policy and Disaster Recovery Plan.	Not resolved	31ST May 2023

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Lack of an Updated asset register	The institution has already put in place an updated asset register.	Resolved	Resolved
	Failure to Comply with budget approval procedures.	The institution is now in compliance with the approved budget procedures.	Resolved	Resolved
	Over expenditure-repairs & Maintenance	The institution has now adhered to the budget estimates.	Resolved	Resolved
	Expenditure not supported by an approved Procurement plan	The institution is in the process of preparing a procurement plan.	Not resolved	30th Nov 2022
	Expenditure not supported by an approved list of Prequalified suppliers.	The institution has sought assistance and professional advice from the sub county procurement officer who in turn provided a list of suppliers prequalified by the government. The institution is also in the process of updating her list of pre-qualified suppliers.	Resolved	Resolved

Guidance Notes:

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

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

.....

Name: KIBWEZI WEST TVC
Accounting Officer: BENSON K. MBEKE
(PRINCIPAL & BoG SECRETARY
Date: 27/09/2022

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Appendix II: Projects Implemented by (The Entity)

Projects

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

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

Status of Projects completion

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

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

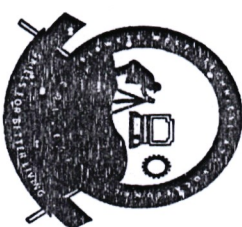
**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Appendix III- Inter-Entity Confirmation Letter



KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
P.O. BOX 277-90138 Makindu
Email: kibwezivestvc@gmail.com
Cell: 0780484873



The Kibwezi West TVC wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2022						
Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021		Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
	22/11/2021	1,057,500	000	000	1,057,500	000
	23/11/2021	500,000	000	000	500,000	000
	23/11/2021	500,000	000	000	500,000	000

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

DTE/CAP9/30(56)	02/03/2022	1,057,500	000	000	1,057,500	1,057,500	000
DTE/CAP9/33(57)	03/06/2022	1,132,500	000	000	1,132,500	1,132,500	000
Total		<u>4,247,500</u>	<u>000</u>	<u>000</u>	<u>4,247,500</u>	<u>4,247,500</u>	<u>000</u>

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

Head of Accountants department of beneficiary Entity:

NameSTEVEPHEN MUTUA Sign *SM* Date.....30/5/2023

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: **KIBWEZI WEST TVC**

Telephone Number: **0780484873**

Email Address: **kibwezivestvc@gmail.com**

Name of CEO/MD/Head: **BENSON KIOKO MBEKE**

Name and contact details of contact person (in case of any clarifications): **As above.**

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

**KIBWEZI WEST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

Appendix V: Disaster Expenditure Reporting Template

Date:						
Entity:						
Period to which this report refers (FY)	Year: 30 JUNE 2022					Quarter
Name of Reporting Officer	BENSON KIOKO MBEKE					
Contact details of the reporting officer:	Email: kibweziwestvc@gmail.com					Telephone: 0780484873
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A