

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 19 JUN 2025

DAY.

Thursday

**TABLED**  
BY:

Hon. Simon Oloo  
(Majority Party Whip)

CLERK-AT  
THE-TABLE:

Anastacia

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KIPIPIRI TECHNICAL AND VOCATIONAL  
COLLEGE**

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



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**KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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



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

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**1. Acronyms & Glossary of Terms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
ILO	Industrial Liaison Officer
IQA	Internal Quality Assurance Officer
Fiduciary Management	Key management personnel who have financial responsibility in the entity

*Provide a list of Acronyms and glossary of terms used in the financial report as per above example. The list to be exhaustive)*

## 2. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Back ground information

Kipipiri Technical and Vocational College is a public TVET institution under the ministry of Education and it is an integral part of the skills development system in the country. Its mandate is derived from the TVET Act 2013 and it is responsible for offering skills development programs to youth and adults in the technical, business and scientific fields in order to satisfy the needs of the national economy.

Its construction started in 2014 under phase I which comprised of 60 TTIs through the government initiative to construct a TTI in each of the 290 constituencies.

Kipipiri TVC is built on a 2.2 Hectares plot at Mawingo shopping centre along the Olkalou- Engineer road in a quiet environment conducive for learning.

### (b) Principal Activities

The core objectives are:

- Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and experience.
- To offer demand driven and market driven courses through collaboration with industries.
- Provide increased training opportunities for the increasing number of schools leavers, learners and trainees to increase employability.
- Provide continuously upgrading of skills and knowledge at the pace and ability of the trainees.
- Provide a dynamic curriculum responsive to the man power needs of a dynamic economy impart marketable skills, technical know-how and attitude that respond to contemporary labour market demands by the industry, informal sector and for self-employment.

#### **Motto:**

Empower with Skills and Technology.

#### **Vision:**

A College of Choice in TVET and Innovative Research.

#### **Mission:**

To develop high quality human resource with emphasis on technical academic excellence and development programs to meet the growing technological and socio economic needs of our nation and the world at large.

#### **Mandate:**

To create, promote and continuously provide relevant and up-to-date technological skills required by an advancing industrial economy.

### (c) Key Management

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

- Board of Governors.
- Principal

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Alexander Maina Mwangi
2.	Deputy Principal	Isaac Mwangi Kanua
3	Finance Officer	Joyce Nyambura
4	Dean of Students	Joseph Mwangi Ngaruiya
5	Registrar	Esther Wambui Kariuki
6	H.O.D Electrical	Denis Kuria Kimama
7	H.O.D ICT	Julius GikonyoMaina
8	H.O.D Agriculture	MirriamNginaMugo
9	H.O.D Hospitality	Joyce Wanjiku Kimani
10	H.O.D Building Department	Dennis Kiprotich Kogo
11	H.O.D Business	Vincent Magero Okoth

**a) Fiduciary Oversight Arrangements**

The key fiduciary Oversight committees are:

- I. Education, Research and Development Committee  
Members
  - Caroline Gakibi– Chairman.
  - Daniel Kinyajui– B.O.G Member.
  - Dr Kerubo–B.O.G Member.
  
- II. Finance, Planning and Administration Committee Members
  - David Kimani -Chairman.
  - George Gori-B.O.G Member.
  
- III. Audit and Risk Management Committee Members
  - Daniel Kabira–Chairman.
  - Yvette Olande-B.O.G Member

**Entity Headquarters**

P.O.Box438-20303 OL-KALOU KENYA  
MAWINGO SHOPPING CENTRE  
OLKALOU- ENGINEER ROAD  
OLKALOU,KENYA

**Entity Contacts**

Telephone:+254 -727069870  
E-mail:kipipiritechnical2016@gmail.com

• **KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

**Entity Bankers**

1. Equity Bank

Ol-Kalou Branch, Kenya

Account 1 Name: Kipipiri Technical and Vocational College

Account Number: 0620276272211

Account 2 Name: Kipipiri Technical and Vocational College

Account Number: 0620280602888

2. Co-operative Bank

Ol-Kalou Branch, Kenya

Account 1 Name: Kipipiri Technical and Vocational College Account

Number: 01139467681000

Account 2 Name: Kipipiri Technical and Vocational College Account

Number: 01139467681001

**I. Independent Auditors**

The Auditor General Office of

Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO

00100 Nairobi, Kenya

**II. Principal Legal Advisor The**

Attorney General State Law

Office Harambee Avenue



P.O. Box 40112 City Square

00200 Nairobi, Kenya



**THE BOARD OF GOVERNORS**

 <p><b>DAVID NJOROGE</b> (CHAIRMAN B.O.G)</p>	<p>Date of birth: 1970 Date of appointment: 12<sup>th</sup> February, 2024 Key qualification: Masters in Education. Work experience: 30 years</p>
 <p><b>ALEXANDER MAINA</b> (PRINCIPAL/SECRETARY B.O.G)</p>	<p>Date of birth: 27<sup>th</sup> January 1967 Date of appointment: 22<sup>nd</sup> December 2022  Key qualification: MBA Strategic Management.  Work experience: Has 32 Years teaching in TVET institutions.</p>
 <p><b>CAROLINE NJERI GIKIBI</b> (BOG Member/ Leadership and Management).</p>	<p>Date of Birth: 09<sup>th</sup> April 1994 Date of appointment: 29<sup>th</sup> January 2018 Key qualification: She holds a Master of Public Policy and Administration and a Bachelors of Arts (Economic s and Sociology).  Work Experience: Has five years work experience having worked as a sales executive, marketing executive and is currently a liaison officer in the office of the majority leader, county government of Nyandarua.</p>
 <p><b>DANIEL KABIRAWAMAE</b> (BOG Member/Industry)</p>	<p>Date of birth: 7<sup>th</sup> August 1983 Date of appointment: 17<sup>th</sup> February 2021 Key qualification: He holds a B Com. (Finance) and CPA (K). He has 13 years working experience in Finance and Accounting.</p>

<p>CARENAKUMUAMBALE (BOG Member/Financial Management)</p>	
 <p>George Goro (BOG Member)</p>	<p>Date of birth: 1973 Date of appointment: 12<sup>th</sup> February 2024 Key qualification: Bachelor in Economics Work Experience: 30 years</p>
 <p>Diana Kerubo Agoki (BOG Member/Industry)</p>	<p>Date of birth: 1973 Date of appointment: 12<sup>th</sup> February 2024 Key qualification: She holds a Masters in Business Administration Work Experience: 30 Years</p>
 <p>Yvette Rachier Olende (BOG Member)</p>	<p>Date of birth: 1990 Date of appointment: 12<sup>th</sup> February 2024 Key qualification: Masters in Business Administration Work Experience: 15 Years</p>

 <p><b>DAVID KAMAU KIMANI</b> (BOG Member/Engineering)</p>	<p>Date of birth: 24<sup>th</sup> DECEMBER 1991 Date of appointment: 19<sup>th</sup> July 2021 Key qualification: He is a Bachelor of Construction Management from University of Nairobi. He has 8 years working experience in constructions.</p>
 <p><b>Daniel Kinyajui</b> (Governor Representative)</p>	<p>Date of birth: 1973 Date of appointment: Key qualification: Masters in Tourism Management.</p>

**4. MANAGEMENT TEAM**

 <p>ALEXANDER MAINA MWANGI (PRINCIPAL/SECRETARY B.O.G)</p>	<p>Date of birth: 27<sup>th</sup> January 1967 Date of appointment: 22<sup>nd</sup> December 2022</p> <p>Key qualification: MBA Strategic Management.</p> <p>Work experience: Has 32 Years teaching in TVET institutions.</p>
 <p>JOYCE NYAMBURA MAINA (FINANCE OFFICER)</p>	<p>Date of birth: 28<sup>TH</sup> August 1991</p> <p>Key qualification: Bachelor in Business Administration and a CPAK</p> <p>Work Experience: 4 Years experience in Accounting</p>

**5. CHAIRMAN'S STATEMENT**

It is my pleasure to present the Financial Report and Accounts of the Kipipiri Technical and Vocational College for the year ended 30<sup>th</sup> June 2024. Kenya today requires acceleration of her usage of specialized skills, knowledge and innovation to support and expand her economy. Science and technology is a solution for sustainable development and a key driver in achieving vision 2030. Kipipiri TVC intends to use ICT integration to fasten and improve service delivery as well as increasing the quality and diverse range of products offered. Kipipiri TVC has positioned itself to empower young people by equipping them with the required scientific and technological knowledge, skills and attitudes that may accelerate their ability to produce common goods in a better way and also come up with new products that will go a long way in developing the social economic welfare of the people of Nyandarua county and Kenya in general. Since inception, Kipipiri TVC has endeavored to improve its service delivery through team work, effective leadership and coordinated efforts in order to achieve a comparative advantage within an increasingly competitive educational sector.

The institution was registered as a public institution in 2016 and is offering market driven programs approved by TVETA and Examined by KNEC. More programs will be added in the near future as we anticipate actualizing Big Four Agenda.

# KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

I wish to thank the College Board of Governors for dedicating their time and effort to steer and provide governance support to the college affairs. I express my sincere gratitude to the Government of Kenya, Ministry of Education, development partners and other stakeholders for their continued support. This has gone a long way towards establishing a solid institution that is true to its mandate and stakeholders' expectations.



Mr. David Njoroge

**CHAIRMAN, BOARD OF GOVERNORS**  
30<sup>TH</sup> June 2024.



KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

Thank you.



Alexander Maina Mwangi.

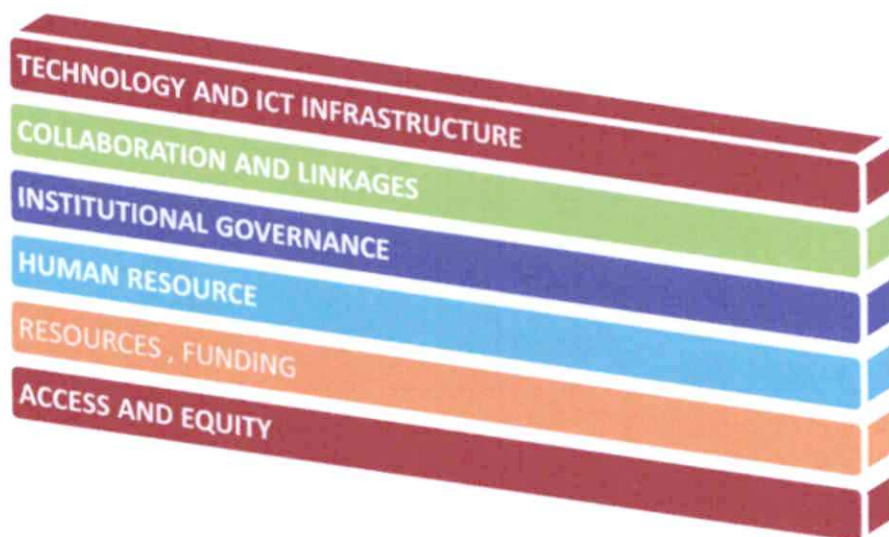
Principal /Secretary BOG

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

**REVIEW OF KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE'S PERFORMANCE FOR FY 2023/2024**

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.

*Kipipiri Technical and Vocational College* has 6 strategic pillars and objectives within its Strategic Plan for the FY 2016/2017-2023/2024. These strategic pillars are as follows:



*Kipipiri Technical Vocational College* develops its annual work plans based on the above 6 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 FY 2020/2021 period for its 2 strategic pillars, as indicated in the diagram below:

A STRATEGIC PILLAR	Objective	Key Performance Indicators	Activities	Achievements
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KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

Pillar 1: TECHNOLOGY AND ICT INFRASTRUCTURE	Promote effective application of ICT	<ul style="list-style-type: none"> <li>❖ Complete ICT infrastructures</li> <li>❖ Installation of Management Information System</li> <li>❖ ICT courses</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop adequate ICT capacity and infrastructure</li> <li>❖ Institutionalized Management Information System (MIS)</li> <li>❖ Promote the use of ICT in Curriculum delivery and management systems</li> </ul>	ICT courses are being offered in the institution MIS is in the process of being installed
	Enhance Equipment and Technology	<ul style="list-style-type: none"> <li>❖ Institution in cubator and use of modern equipment and Technology</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop institution incubator</li> <li>❖ Promote use of modern equipment and Technology</li> </ul>	To be implemented
Pillar 2: Competitiveness	Enhance competitiveness	<ul style="list-style-type: none"> <li>❖ Increased students' numbers</li> </ul>	<ul style="list-style-type: none"> <li>❖ Strengthen existing competitiveness benchmarks</li> <li>❖ Establish new competitiveness benchmarks</li> </ul>	<ul style="list-style-type: none"> <li>❖ Student Number have continued to increase</li> </ul>
Pillar 3: INSTITUTIONAL GOVERNANCE	<ul style="list-style-type: none"> <li>❖ Improve Institutional corporate governance</li> <li>❖ Develop and Implement M &amp; E Systems</li> </ul>	<ul style="list-style-type: none"> <li>❖ Constant review of courses offered</li> <li>❖ Improved result-based management in the training system</li> <li>❖ Improved budget accuracy level</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop and implement institutional policies, strategies, and programmes (E.g. HIV/AIDS, Alcohol and drug abuse and health and safety, and environment)</li> <li>❖ Embrace results based management in the training system</li> <li>❖ Develop and implement M&amp;E systems</li> <li>❖ Fast track institutional expenditure review</li> </ul>	<ul style="list-style-type: none"> <li>❖ New courses being offered</li> <li>❖ Improved budget accuracy</li> </ul>

KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

Pillar 4: HUMAN RESOURCES	❖ Harness Human resource	❖ Increased number of Staff to match	❖ Increase staff at PSC and BoG levels ❖ Develop competencies	❖ New BoG staff have been
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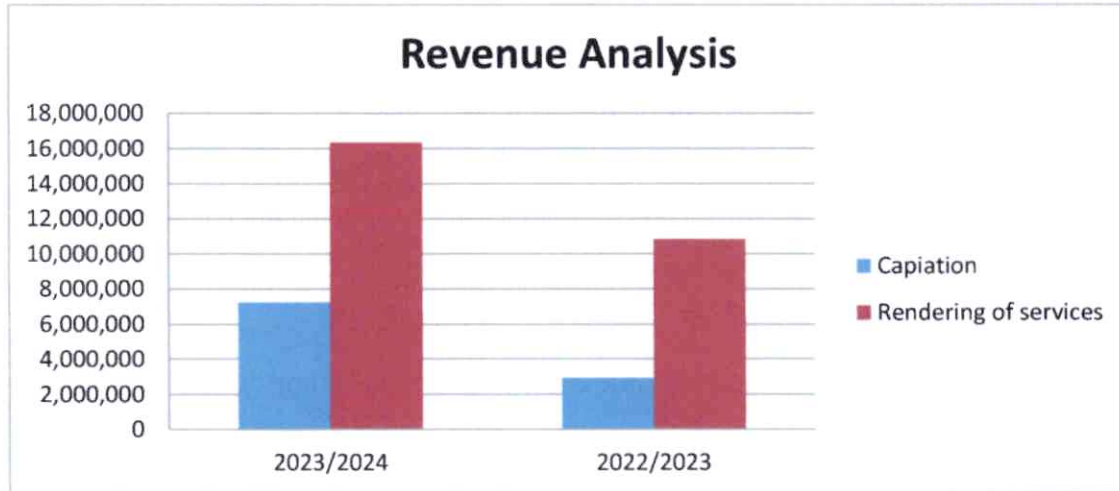
		The increasing Number of students	In staff	employed
	❖ Improve And sustain relevance of skills		<ul style="list-style-type: none"> <li>❖ Ensure quality assurance and standards</li> <li>❖ Promote Innovativeness in ST&amp;I</li> <li>❖ Establish the Center of excellence</li> <li>❖ Improve the quality of work culture Strategy</li> </ul>	
Pillar 5: FINANCIAL RESOURCES	❖ Diversify sources and increase funding	<ul style="list-style-type: none"> <li>❖ New Development partners</li> <li>❖ Enhanced existing partners' relationship</li> <li>❖ Increase in government development funds</li> </ul>	<ul style="list-style-type: none"> <li>❖ Increase GoK funding</li> <li>❖ Exploit external funding possibilities through developed criteria</li> <li>❖ Expand income generation at institutional level</li> </ul>	<ul style="list-style-type: none"> <li>❖ There are development partners funding development projects.</li> <li>❖ The institution continues to receive development funds from the government.</li> </ul>

**9. MANAGEMENT DISCUSSION AND ANALYSIS**

**Kipipiri Technical and Vocational College operational and financial performance**

During the year ended 30<sup>th</sup> June 2024, the College had 700 students. The education sector faced a number of challenges occasioned by the change of the new funding model

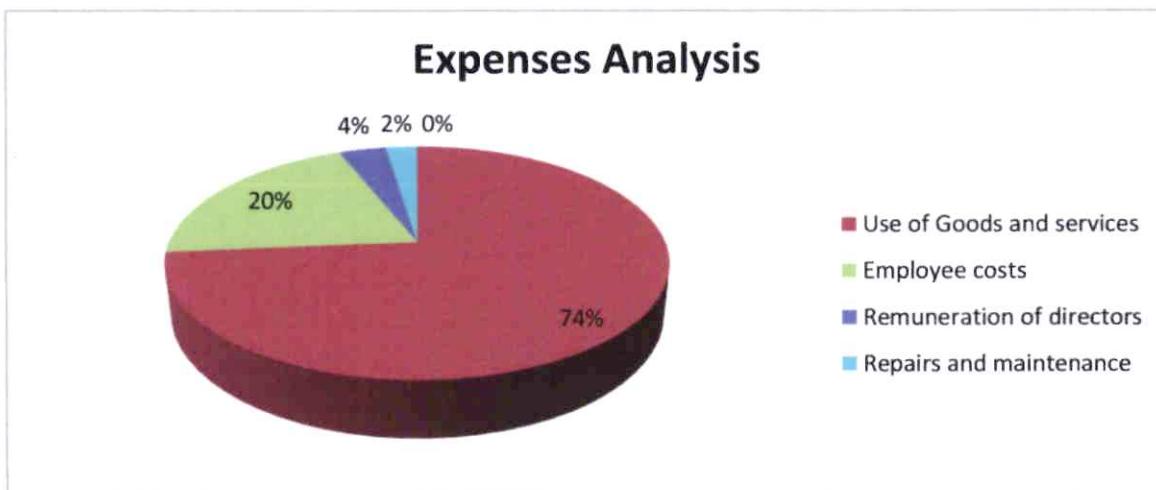
Below are the graphs and pie charts analyzing the revenues and expenses of the institution?



The above graph compares the revenues between the first quarter in the financial year 2023/2024 and first quarter in 2022/2023

Rendering of services income is expected to increase in financial year 2024/2025 compared to previous financial years due to a higher allocation of HELB loan.

The contribution of each expense as a percentage of total expenses is as shown below.



# KIPIPIRI TECHNICAL AND VOCATIONAL COLLEGE

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

- (i) Developing and reviewing programmes for training and to make representations there onto the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications frame work and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practicing trades 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 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 Board;
- (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.

The board in the period it has been in existence has endeavored to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result-oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the Board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board. This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

## 10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with for the year ended 30<sup>th</sup> June 2024 which show the state of Kipipiri Technical and Vocational College affairs.

### Principal Activities

The principal activities of the entity are training and development of human resource in various fields

### Results

The results of the Kipipiri TVC for the year ended 30<sup>th</sup> June, 2024 are set out on page 1 to 17.

### Board of Governance

The members of the Board who served during the year are shown on pages vi and vii.

### Auditors

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

By Order of the Board.



Alexander Maina Mwangi  
Principal/Secretary BOG  
Date:.....

### **Kipipiri Technical and Vocational College compliance with statutory requirements**

Kipipiri Technical and Vocational College complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE. The college however does not adhere to Asset Disposal and Procurement Act and others enacted laws.

#### ***Major risks facing the organization.***

The institutes 'major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Uncertainty of the new funding model
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants

### **Key projects and investment decisions**

*The projects under consideration in the FY2023/2024 are summarized in the table below*

Construction of Outdoor Ground mounted sub-station

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

*Kipipiri TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy; putting the human aspect first.*

### **1. Community Engagements-**

During the year under review, the college carried out various CSR activities to impact the society like tree planting and children homes visits.

### **2. Employee welfare**

At Kipipiri Technical and Vocational College, we value our employees and our many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process.

**11. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board of governors to prepare financial statements in respect of Kipipiri TVC, which give a true and fair view of the state of affairs of Kipipiri TVC at the end of the period and the operating results of Kipipiri TVC for that quarter. The Board of governors are also required to ensure Kipipiri TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Kipipiri TVC. The Board of governors are also responsible for safe guarding the assets of Kipipiri TVC

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

The Board of governors accept responsibility for Kipipiri TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity y with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFMAAct, 2012 and (the TVET Act of 2013). The board of governors is of the opinion that Kipipiri TVC financial statements give a true and fair view of the state of Kipipiri TVC transactions during the financial year ended June 30, 2024, and of Kipipiri TVC financial position as at that date. The Board of governors further confirms the completeness of the accounting records maintained for Kipipiri TVC, which have been relied upon in the preparation of Kipipiri TVC financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Kipipiri TVC financial statements were approved by the Board on 15<sup>th</sup> September 2024 and signed on its behalf by:

Chairman Board of Governors

Finance Officer

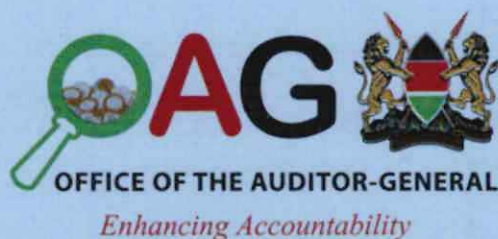
Principal

Date.....

ICPAKNo:4619  
Date

Date.....

# REPUBLIC OF KENYA



-Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kipipiri Technical and Vocational College set out on pages 1 to 19, which comprise the statement of financial position as

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*Report of the Auditor-General on Kipipiri Technical and Vocational for the year ended 30 June, 2024*

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

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

### **Basis for Qualified Opinion**

#### **2. Inaccuracies in the Financial Statements**

Examination of the financial statements for the year ended 30 June, 2024 provided for audit review revealed the following anomalies;

- i. The annual reports and financial statements did not include a statement on Environmental sustainability reporting which are required by the PSASB reporting template.
- ii. The statement of financial performance reflects Kshs.8,412,284 as depreciation and amortization expense. However, the statement of changes in net assets did not reflect the amount of depreciation and amortization transferred from capital fund to retained earnings as required by the PSASB presentation template.
- iii. The statement of financial position reflects Kshs.99,071,426 as comparative balance of property, plant and equipment and refers to Note 18 to the financial statements. However, the Note has Kshs.96,898,105 resulting in unexplained variance of Kshs.2,173,321.
- iv. The statement of financial position reflects Kshs.1,749,970 in respect to comparative balance for payments received in advance and refers to Note 23 to the financial statements. However, the Note has Kshs.1,700,750 resulting in a variance of Kshs.49,220.
- v. A casting error was noted in the statement of changes in net assets where total accumulated fund as at 30 June, 2023 was shown as Kshs.(26,747,110) but on recalculation, it was Kshs.(45,650,538) resulting in a variance of Kshs.18,903,428.

- vi. The statement of cash flows reflects Kshs.2,180,209 as cash flows from operating activities and refers to Note 24 to the financial statements. However, the Note has Kshs.6,160,271 resulting in unexplained variance of Kshs.3,980,062.

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

### **1. Unsupported Transfers from the National Government**

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects Kshs.7,273,425 in respect to transfers from other national government entities which includes capitation grants amount of Kshs.5,273,425 which was not supported with a schedule of distribution of capitation per student and their respective admission numbers as validated by Kenya Universities and Colleges Central Placement Services (KUCCPS) and approved by the institution's board of governors

In the circumstances, accuracy and completeness of the balance of Kshs.5,273,425 in respect of transfers from the National Government could not be confirmed.

### **2. Inaccuracies in Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 14 to the financial statements reflects Kshs.1,924,486 in respect to Cash and cash Equivalents which includes Kshs.950,205 in respect to equity bank account whose respective cash book had a balance of Kshs.896,906 resulting in unexplained variance of Kshs.53,299. Further, Management did not provide monthly bank reconciliation statements in respect to the bank accounts operated.

In addition, the cash and cash equivalents balance of Kshs.1,924,486 includes an amount of Kshs.1,080 and Kshs.102,078 in respect to development bank accounts held in cooperative bank and equity bank respectively. However, Management did not provide cash books, bank statements, monthly bank reconciliation statements and certificate of bank balances to support the balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,924,486 could not be confirmed.

### **3. Unconfirmed Ownership and Valuation of Land and Buildings**

The statement of financial position and as disclosed in Note 18 to the financial statements reflects Kshs.89,385,411 in respect to property, plant and equipment which includes Kshs.47,275,633 and Kshs.12,000,000 as net book values for buildings and land respectively. However, Management did not provide valuation reports or records showing the initial cost of land and buildings to support the financial statement balances. In addition, Management did not provide title documents to confirm ownership of the land occupied by the College.

In the circumstances, the valuation and ownership of property, plant and equipment balance of Kshs.59,275,633 could not be confirmed.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.23,525,000 and Kshs.23,638,725 respectively hence surpassing revenue targets by Kshs.113,725. However, the institution expended Kshs.17,627,152 against total receipts of Kshs.23,638,725 resulting in an under-expenditure of Kshs.6,011,573 or 25% of receipts

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

#### **Key Audit Matters**

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

#### **Other Information**

##### **Conclusion**

The Management is responsible for the Other Information set out on page ii to xxi, which comprise of Key Entity Information and Management, The Board of Governors, Key Management team, Chairman's statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unbalanced Budget**

Review of the College's approved budget and as disclosed in the statement of comparison of budget and actual amounts revealed that the institution had a revenue budget of Kshs.23,525,000 against budgeted expenditure of Kshs.23,275,000, resulting in a variance of Kshs.250,000. This is contrary to Regulation 33 (c) of the Public Finance Management (National Government) Regulations, 2015 which requires that, at all times, a budget shall be balanced.

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

#### **2. Non-Compliance with Law on Ethnic Composition**

During the year under review, the College had a total of fifteen (15) staff members out of whom, eleven (11) were from one ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Approved Staff Establishment**

During the year under review, the College did not have an approved staff establishment. It was therefore not clear how staffing requirements were determined and whether the resources allocated to various functions were utilized in an optimal way.

In the circumstances, there is a risk of overlapping roles. Further, the basis for staff distribution could not be confirmed.

### **2. Lack of Internal Audit Function**

During the year under review, the institution neither had a functional internal audit department nor a substantively appointed internal auditor. Lack of a functional internal audit function may have resulted to inability of the college to timely detect operational risks and inefficiencies.

In the circumstances, the effectiveness and assurance of risk management and internal controls could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance. In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 May, 2025

**13. STATEMENT OF FINANCIAL PERFORMANCE For The Year Ended  
30<sup>th</sup> June 2024.**

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government –grants/gifts in kind	6	7,273,425	4,076,000
			-
<b>Revenue from exchange transactions</b>			
Rendering of services-Fees from students	7	16,365,300	10,673,220
Other income: Hire of facility and conferencing		0	191,724
<b>Revenue from exchange transactions</b>		<b>16,365,300</b>	<b>10,864,944</b>
<b>Total revenue</b>		<b>23,638,725</b>	<b>14,940,944</b>
<b>Expenses</b>			
Use of goods and services	9	12,318,898	8,725,021
Employee costs	10	3,416,228	3,737,681
Remuneration of directors	11	613,000	573,000
Depreciation and amortization expense	12	8,412,284	11,279,403
Repairs and maintenance	13	399,436	287,568
<b>Total expenses</b>		<b>25,159,846</b>	<b>24,602,673</b>
<b>Other gains/(losses)</b>			-
<b>Net Deficit for the year</b>		<b>(1,521,121)</b>	<b>(9,661,729)</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest			-
Surplus attributable to owners of the controlling entity			-
		<b>(1,521,121)</b>	<b>(9,661,729)</b>

The notes set out on pages'6 to17 for main integral part of the Annual Financial Statements.

**12. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2024**

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	1,924,486	1,606,650
Current portion of receivables from exchange transactions	15	11,965,014	7,254,060
Receivables from non-exchange transactions	16	0	0
		<b>13,889,500</b>	<b>8,860,710</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	89,369,411	99,071,426
Intangible assets	19	16,000	0
		<b>89,385,411</b>	<b>99,071,426</b>
<b>Total assets</b>		<b>103,274,911</b>	<b>107,932,136</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	20	364,765	439,785
Refundable deposits from customers	21	350,000	0
Current provisions	22	0	
Payments received in advance	23	1,584,626	1,749,970
<b>Total current liability</b>		<b>2,299,391</b>	<b>2,189,755</b>
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<b>2,299,391</b>	<b>2,189,755</b>
<b>Net assets</b>		<b>100,975,520</b>	<b>105,742,381</b>
Reserves			
Accumulated surplus		(19,855,947)	(27,710,992)
Capital Fund		120,831,467	129,243,751
<b>Total net assets and liabilities</b>		<b>100,975,520</b>	<b>105,742,381</b>

The Financial Statements set out on pages 1 to 16 were signed on behalf of the college Board of Governors by:





Chairman Board of Governors

Finance Officer

Principal

Date.....

ICPAK No:4619  
Date

Date.....

**13. Statement of Changes in Net Asset For The Year Ended 30<sup>th</sup> June 2024**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July, 2022(previous period)</b>	-	(36,198,824)	<b>129,243,751</b>	93,044,927
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(9,451,714)	-	(9,451,714)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortization from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2023</b>	-	<b>(26,747,110)</b>	<b>129,243,751</b>	<b>102,496,641</b>
<b>At July1, 2023 (current period)</b>	-	<b>(26,747,110)</b>	<b>129,243,751</b>	<b>102,496,641</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(1,521,121)	-	(1,521,121)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/ amortisation from capital fund to Retained earnings	-	8,412,284	(8,412,284)	-
<b>At June 30, 2024</b>	-	<b>(19,855,947)</b>	<b>120,831,467</b>	<b>100,975,520</b>

**14. Statement of Cash Flows For The Year Ended 30<sup>th</sup> June 2024**

Description		FY 2023-2024	FY 2022-2023
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		7,273,425	4,076,000
Rendering of services- fees from students		11,654,346	10,673,220
Miscellaneous income		-	-
<b>Total Receipts</b>		<b>18,927,771</b>	<b>14,749,220</b>
<b>Payments</b>			
Use of goods and services		12,318,898	8,725,021
Employee costs		3,416,228	3,737,681
Board Expenses		613,000	573,000
Repairs and maintenance		399,436	287,568
<b>Total Payments</b>		<b>16,747,562</b>	<b>13,323,270</b>
<b>Net Cash Flows from operating activities</b>	24	<b>2,180,209</b>	<b>1,425,950</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		879,590	393,500
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>1,300,619</b>	<b>1,032,450</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease)in Cash and Cash equivalents</b>		<b>1,300,619</b>	<b>1,032,450</b>
Cash and Cash equivalents at 30 June 2023	14	796,277	661,982
<b>Cash and Cash equivalents at 30<sup>th</sup> June 2024</b>	14	<b>2,907,269</b>	<b>1,606,650</b>

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

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**15. Statement of Comparison of Budget & Actual amounts For Year Ended 30<sup>th</sup> June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
Transfers from other National Government entities	8,000,000	-	8,000,000	7,273,425	726,575	9%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	15,525,000	-	15,525,000	16,365,300	(840,300)	-5%
Sale of goods	-	-	-	-	-	-
Rental revenue from facilities and equipment	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
<b>Total Income</b>	<b>23,525,000</b>	<b>-</b>	<b>23,525,000</b>	<b>23,638,725</b>	<b>(113,725)</b>	<b>-0.5%</b>
<b>Expenses</b>						
Use of goods and services	11,313,794	-	11,313,794	12,318,898	(1,005,104)	9%
Employee costs	4,189,166	-	4,189,166	3,416,228	772,938	-9%
Board Expenses	1,176,250	-	1,176,250	613,000	563,250	-21%
Repairs and maintenance	430,000	-	430,000	399,436	30,564	-14%
Development Expenditure						
<b>Total Expenditure</b>	<b>17,109,210</b>	<b>-</b>	<b>17,109,210</b>	<b>16,747,562</b>	<b>361,648</b>	<b>2%</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,028,097</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure</b>	<b>6,165,790</b>	<b>-</b>	<b>6,165,790</b>	<b>879,590</b>	<b>5,286,200</b>	<b>-86%</b>

**16. NOTES TO THE FINANCIAL STATEMENTS**

**a. GENERAL INFORMATION**

Kipipiri Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical skills and knowledge.

**b. 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, market able securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying Kipipiri TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

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

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

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Standard	Effective date and impact:
	<p>that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(There is no impact of the standard to the entity)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</li> </ul> <p><i>(There is no impact of the standard to the entity)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying Financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

ii. **Early adoption of standards**

The entity did not early-adopt any new or amended standards for the year Ended 30<sup>th</sup> June 2024

c. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

i. **Revenue recognition**

1. **Revenue from non-exchange transactions Fees**

The entity recognizes student capitation as other government grants when they are received.

Other non-exchange revenues are also recognized as government conditional or non-conditional grants when they are transferred to the entity’s bank account.

**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 changes in net assets and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**2. 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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****NOTES TO THE FINANCIAL STATEMENTS(Continued)****ii. Budget information**

The original budget for FY2023/2024 was approved by the Board on 13th July 2023.

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 amount 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section 13 of Financial Provisions of TVETACT No. 29 of 2013 of these financial statements.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****iii. 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

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major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as are placement 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.

Land is not depreciated.

Depreciation on all other assets is calculated on the reducing balance basis

Method to write down the cost of each asset, or the revalued amount, to its

Residual value over its estimated useful life using the following annual rates:

	<b>Rate%</b>
Buildings	2
Plant and machinery	20
Motor vehicles	25
Library books	10
Furniture and fittings	12.5
Computer equipment	30

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

#### **iv. Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at costless Accumulated amortization and accumulated impairment losses. Amortization is recognized on A straight-line basis over their estimated useful lives. The estimated useful life and amortization

Method are reviewed at the end of each reporting period, with the effect of any changes in Estimate being accounted for on a prospective basis.

##### **Computer software**

Computers software licenses are capitalized on the basis of the costs incurred to acquire And bring to use the specific software. These costs are amortized over their estimated Useful lives which are estimated to be 5years.

#### **v. Nature and purpose of reserves**

##### **a. Accumulated surpluses**

This relate to surpluses brought forward and the one for the current years.

##### **b. Capital grants**

This relates to fixed assets granted by the government or any other donor.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **vi. Employee benefits**

##### **Retirement benefit plans**

The institution and its employees contribute to the National Social Security Fund (NSSF), a Statutory defined contribution scheme registered under the NSSF Act. The institution's Contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**vii. Related parties**

Kipipiri TVC regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Institution, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the Principal, Head of Finance and Head of Procurement.

The government of Kenya through the ministry of education is also related party to the Kipipiri TVC.

**viii. Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

**ix. Biological assets**

The biological assets are recognized at their fair values less estimated point-of-sale costs. The fair value is determined based on market prices.

**x. 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 June30, 2021.

**SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

The board of Governance made only one significant judgment in preparing these financial statements.

**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 marketing relation to the asset

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**6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	2,000,000	3,076,000
Capitation	5,273,425	1,000,000
	<b>7,273,425</b>	<b>4,076,000</b>

**7. RENDERING OF SERVICES**

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
Tuition fees	16,365,300	10,673,220
<b>Total revenue from the rendering of services</b>	<b>16,365,300</b>	<b>10,673,220</b>

**9. USE OF GOODS AND SERVICES**

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
Electricity and Water	554,327	459,278
Subscriptions	358,200	160,000
Activity fee	712,550	375,180
Examination & teaching materials	4,252,970	2,625,042
Admin expense	500,698	528,150
Internet	323,945	359,240
Security charges	412,500	450,000
Printing and stationery	364,935	348,702
Bank charges	14,311	22,240
Performance contract	49,800	120,180
Marketing expenses	311,609	245,800
Newspapers	2,300	7,440
Insurance	22,750	14,850
Travel, motor car, accommodation, subsistence and other allowances	3,062,430	2,300,520
Seminars and trainings	287,148	156,300
Cleaning Expenses	77,195	62,300
Industrial attachment	37,500	36,500
Student Council	158,950	74,500
Miscellaneous	27,500	4,614
Telephone Expenses	190,000	145,000
Fees Refund	18,600	31,100
<b>STUDENT WELFARE</b>	<b>0</b>	<b>-</b>

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2024 Academic trips	10,800	0
Mpesa transaction fee	1,330	0
Medical expenses	14,800	0
Postage and Delivery	8,225	<b>8,240</b>
PSC Recruitment	409,120	0
Team building	201,600	0
Consultancy	10,000	0
<b>Total good and services</b>	<b>12,318,898</b>	<b>8,725,021</b>

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**10. EMPLOYEE COSTS**

	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and, wages	3,412,328	3,737,681
Casual Wages	3,900	
<b>Total Employee costs</b>	<b>3,416,228</b>	<b>3,737,681</b>

**11. REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Board of governance allowances	613,000	573,000
<b>Total board of governance allowances</b>	<b>613,000</b>	<b>573,000</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	8,412,284	11,279,403
Amortization		
<b>Total depreciation and amortization</b>	<b>8,412,284</b>	

**13. REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Property	399,436	287,568
<b>Total repairs and maintenance</b>	<b>399,436</b>	<b>287,568</b>

**14. CASH AND CASH EQUIVALENTS**

<b>Description</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
	<b>KShs</b>	<b>KShs</b>
Current account	1,821,328	1,503,492
Development account	103,158	103,158
<b>Total cash and cash equivalents</b>	<b>1,924,486</b>	<b>1,606,650</b>

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14(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		FY 2023-2024	FY 2022-2023
Financial institution	Account number	KShs	KShs
<b>a)Current account</b>			
Co-operative Bank	01139467681000	871,123	1,206,850
Equity Bank	0620276272211	950,205	296,642
<b>b)Development</b>			
Co-operative Bank	01139467681001	1,080	1,080
Equity Bank	0620280602888	102,078	102,078
<b>Sub-total</b>		<b>1,924,486</b>	<b>1,606,650</b>

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
<b>Current receivables</b>		
Student debtors	11,965,014	7,254,060
<b>Total current receivables</b>	<b>11,965,014</b>	<b>7,254,060</b>

16. RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
<b>Current receivables</b>		
Capitation grants*	0	0
<b>Total current receivables</b>	<b>0</b>	<b>0</b>

17. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>-</b>	<b>-</b>

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**18. Property, Plant and Equipment**

	<b>Buildings</b>	<b>Land</b>	<b>Furniture and fittings</b>	<b>Computers</b>	<b>Plant and equipment</b>	<b>Total</b>
	2%		12.50%	30%	20%	
<b>Cost</b>	KSh	KSh	KSh	KSh	KSh	
At 1 <sup>st</sup> July 2023	53,000,000	12,000,000	3,576,070	2,761,398	105,849,800	177,187,268
Additions	332,640	-	350,000	196,950	-	879,590
Transfer/adjustments	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	<b>53,332,640</b>	<b>12,000,000</b>	<b>3,926,070</b>	<b>2,958,348</b>	<b>105,849,800</b>	<b>178,066,858</b>
						-
<b>Depreciation and impairment</b>						-
As at 30 <sup>th</sup> June 2024	5,092,198	-	1,952,630	2,118,033	71,126,302	80,289,163
Depreciation	964,809	-	246,680	252,095	6,944,700	8,408,284
<b>As at 30<sup>th</sup> June 2024</b>	<b>6,057,007</b>		<b>2,199,310</b>	<b>2,370,128</b>	<b>78,071,002</b>	<b>88,697,447</b>
						-
<b>Net book values</b>						-
As at 30 <sup>th</sup> June 2023	47,907,802	12,000,000	1,623,440	643,365	34,723,498	96,898,105
As 30 <sup>th</sup> June 2024	47,275,633	12,000,000	1,726,760	588,220	27,778,798	89,369,411

**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).

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**18 (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	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	12,000,000	0	12,000,000
Buildings	53,332,640	6,057,007	47,275,633
Plant And Equipment	105,849,800	78,071,002	27,778,798
Computers and Related Equipment	2,958,348	2,370,128	588,220
Office Equipment, Furniture, And Fittings	3,926,070	2,199,310	1,726,760
<b>Total</b>	<b>178,066,858</b>	<b>88,697,447</b>	<b>89,369,411</b>

**19. Intangible Assets**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
	<b>0.2</b>	<b>0.2</b>
<b>Cost</b>		
<b>At beginning of the year</b>	<b>25,000</b>	<b>25,000</b>
Additions	0	0
<b>At end of the year</b>	<b>25,000</b>	<b>25,000</b>
Additions—internal development	0	0
<b>At end of the year</b>	<b>25,000</b>	<b>25,000</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	5,000	5,000
Amortization	4,000	
<b>At end of the year</b>	<b>9,000</b>	<b>5,000</b>
Impairment loss	0	
<b>At end of the year</b>	<b>9,000</b>	<b>5,000</b>
<b>NBV</b>	<b>16,000</b>	<b>20,000</b>

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**20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	FY 2023-2024	FY 2022-2023
	Kshs	KShs
Fees paid in advance	-	-
Other payable	364,765	439,785
<b>Total trade and other payables</b>	<b>364,765</b>	<b>439,785</b>

**21. Refundable Deposits from Customers/Students**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Consumer deposits	-	-
Caution money	350,000	-
Other refundable deposits	-	-
<b>Total Deposits</b>	<b>350,000</b>	<b>-</b>

**22. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning of The Year</b>	-	-	-	-	-
Additional Provisions for doubtful debts	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
<b>Total Provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**23. Payments received in advance.**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Fees received in advance	1,584,626	1,700,750
<b>Total</b>	<b>1,584,626</b>	<b>1,700,750</b>

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**24. Cash generated from operations.**

Surplus for the year before tax	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Adjusted for:</b>	(1,521,121)	6,908,437
Depreciation	8,412,284	472,963
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>	-	-
Increase in Inventory	-	-
Increase in Receivables	-7,953,203	117,607
Decrease in accrued grant	0	(6,929,500)
Increase in Payables	75,020	1,372,047
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>6,160,271</b>	<b>498,348</b>

**a. EVENTS AFTER THE REPORTING PERIOD**

There were no material adjusting and non- adjusting events after their porting period.

**b. ULTIMATE AND HOLDING ENTITY**

The entity is a State Corporation under the Ministry of education. Its ultimate parent is the Government of Kenya.

**c. CURRENCY**

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

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**Appendix III - Inter-Entity Confirmation Letter**  
*Kipipiri Technical and Vocational College*  
*P.O Box*  
*Oi kalou.*

The *Kipipiri Technical and Vocational College* wishes to confirm the amounts disbursed to us as at 30<sup>TH</sup> June 2024 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.

<b>Confirmation of amounts received by [Kipipiri Technical and Vocational College] as at 30th JUNE 2024</b>							
Date Disbursed	Recurrent	Amounts Disbursed by [SC/SAGAFund] (Kshs) as at 30 <sup>th</sup> June 2024			Total (D)=(A+B+C)	Amount Received by [Kipipiri Technical and Vocational college] (Kshs) as at 30 <sup>th</sup> June 2024 (E)	Differences (Kshs) (F)=(D-E)
		(A)	Development (B)	Inter-Ministerial (C)			
1.	7/1/2023	500,000	-	-	500,000	500,000	-
2.	29/09/2023	1,155,000	-	-	1,155,000	1,155,000	-
3.	02/10/2023	500,000	-	-	500,000	500,000	-
4.	19/01/2024	500,000	-	-	500,000	500,000	-
5.	19/01/2024	1,365,000	-	-	1,365,000	1,365,000	-
6.	02/07/2024	500,000	-	-	500,000	500,000	-
7.	02/07/2024	1,560,000	-	-	1,560,000	1,560,000	-
8.	31/05/2024	1,193,425	-	-	1,193,425	1,193,425	-
9.	19/02/2024	671,890	-	-	671,890	671,890	-
10	1/3/2024	47,032	-	-	47,032	47,032	-
<b>Total</b>		<b>7,992,347</b>			<b>7,992,347</b>	<b>7,992,347</b>	<b>=</b>

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

**Head of Accountants department of beneficiary Entity:**

**Name : Esther      Sign    Date 13/09/2024**