

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT 16 NOV 2022	
TABLED BY:	Lam
CLERK AT THE	OF Mainah Wanjiku

THE AUDITOR-GENERAL

ON

**KAJIADO WEST TECHNICAL AND
VOCATIONAL COLLEGE**

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



International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for
Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30th JUNE 2021

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *Kajiado West Technical & Vocational College* (hereinafter known as the *College*) was registered in accordance with the TVET Act 2013, on 12th October 2017. The College is domiciled in Kenya, Kajiado County, along Kisames – Kimuka road at Olosho-oibor. The College is under the Ministry of Education, State Department of Vocational and Technical Training.

GENERAL INFORMATION

The 2020/2021 Kajiado West Technical & Vocational College Annual Report captures the main activities of the academic departments and administrative units in the year. The report gives details of the training programmes on offer, admission statistics, course completion statistics, corporate social responsibility functions and the year's financial statement.

In this report, the College accounts for itself within its stated mandate of providing Technical and Vocational Education and Training and Community service to its various stakeholders. The report also highlights the infrastructural position of the College, including ICT infrastructure plus details of the staffing levels in various units. The financial situation in the College during the period is also highlighted.

We hope that this Annual Report has captured pertinent issues of interest to our stakeholders. We shall appreciate your feedback.

PRESENTATION OF FINANCIAL AND OTHER DATA

We report under International Public Sector Accounting Standards ("IPSAS"), as prescribed by the Kenya Public Sector Accounting Standards Board (the "PSASB"), and their interpretations.

All currency referred to in this report is in Kenya Shillings.

(b) Principal Activities

The principal mandate of the College is to provide technical and vocational education and training.

MISSION

To provide quality technical training and vocational education and produce highly competent graduates and professional for the modern world of work

VISION

world class center of excellence in technical training and vocational education

MOTTO

Training smart for life solutions

Core Values

1. **Integrity** - we embrace honesty, truthfulness, accountability and transparency in all our engagements
2. **Professionalism** - we embrace work ethics in provision of all services we offer.
3. **Teamwork** - we acknowledge and continuously strengthen unity of purpose as an important ingredient within our work environment. We embrace collective responsibility for the efficient delivery of services
4. **Innovativeness** - innovation is the engine for our institutional development. We will continue to facilitate and encourage novelty in ideas and technologies in all our endeavours.
5. **Customer focus** - we ensure that our objectives and operations are linked to customer needs and expectations. We therefore, focus on strategies to meet current and future expectations of our customers.

STRATEGIC OBJECTIVES

1. Vocational Education and Technical Training
2. Student Welfare Programmes
3. Institutional Growth and Effectiveness

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4. Inclusion and Equity

Quality Management Statement

Kajiado West Technical & Vocational College is committed to operating every aspect of the institution in an efficient and effective way, while consistently offering the highest possible standards of quality in training, research, extension and innovation. In this regard, The College is committed to continual improvement and review of the Quality Management System in line with customer and market demands.

(c) Key Management

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

Board of Governors
 Accounting officer/ Principal
 Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Dr Lumumba Achieng
2.	Deputy Principal	Jennifer Gachago
3.	Head of Finance	Peter Bukusi
4.	Head of Procurement	Simintei Sakuda

(e) Fiduciary Oversight Arrangements

The College arrangements for fiduciary oversight include and are not limited to the following:

Board of Governors

The Full board of Governors has a specific meeting where policy decisions on income and expenditures for the financial year are adopted. Similarly it has a set meeting where the actual incomes and expenditure report is presented to them for analysis before submitting this to the relevant GoK bodies for further review and audit. The Board of Governors has committees which assist in the operations of the College as follows:

Academics, Research and Innovations Committee

Imparting of skills to learners being our Mandate under the TVET Act 2013, the main objective of the College is to ensure that learning materials and conditions are in place for learners and tutors. This Committee sets the targets for courses offered, student recruitment, training resources (tutors and training materials) and performance in exit examinations. The committee input is seen in the budget formation, where they ensure that the projected expenditures and incomes reflect the targets set for the College in areas mentioned.

Finance and Infrastructure Committee

This is a committee made up of board members with knowledge and experience of finance and administration, who review and approve annual and quarterly forecasts of income and expenditure, review and approve annual and quarterly reports and financial statements before submission to the MoE SDVTT,

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Office of the Auditor General and the Treasury. Reports of which are presented to the Full Board for adoption and ratification.

Audit & Risk Committee

The Board has an Audit & Risk Committee whose terms of reference are to assess areas of material risk and make recommendations to ensure the College does not suffer loss or damage. It also follows up on the main mandate of the College to ensure operations are geared towards our strategic objectives and finances are spent in furtherance of this.

The composition of the board committees for the period ended 30th June 2019 were as follows:

Name of Committee	Members
Finance and Infrastructure Committee	1. Mz Winnie Riungu 2. Mr Charles Kariuki 3. Dr Lumumba Achieng'
Education, Research and Innovation Committee	1. Mr Eric Kinoti 2. Mz Maryan Abdi (County Director) 3. Dr Lumumba Achieng'
Audit and Risk Management Committee	1. Mr Gideon Keke 2. Mz Margaret Nadupoi

Ministry of Education, State Department of Vocational & Technical Training

This is our direct supervisor in Government structure. We do provide reports to this body on annual and quarterly basis on staff complement, budget, financial reports and statements.

Technical & Vocational Education & Training Authority

This is the body mandated by the TVET Act 2013, to license the College on Courses offered. They carry out assessments on courses offered, readiness and capacity to offer training to the public.

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(f) Kajiado West Technical & Vocational College Headquarters

Olosho-Oibor
P.O. Box 1085 – 00208, Ngong Hills
Along Kesamis – Kimuka Road
Kajiado County, KENYA

(g) Kajiado West Technical & Vocational College Contacts

Telephone: (+ 254) 0770 033765
E-mail: kajiadowesttvc@gmail.com
Website: www.kajiadowesttechnical.ac.ke

(h) Kajiado West Technical & Vocational College Bankers

Co-operative Bank of Kenya
Ngong' branch
Account numbers
01139543968000 Recurrent Expenditure Account
01139543968001 Development Account

Equity Bank,
Ngong' branch
Account No. 0730278759623 – CDF Grant Account

(i) Independent Auditors

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

(j) Principal Legal Adviser

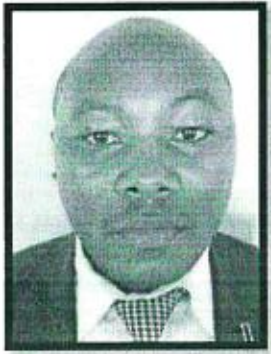
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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1. THE BOARD OF GOVERNORS

1. Peter Matura Masters of Business Administration		<i>Board Chairman</i> DOB: 23rd August 1974 Work experience: 18 Years working in various capacities.
	2. Eric KINOTI Highest Education qualification: Msc. Chemical Engineering – Technology of Petroleum and Gas	<i>Chairperson Academics Research & Innovations Committee</i> DOB: 28.02.1960 Work experience: Eric is currently an independent consultant specializing in the oil industry with over 21 years of post-qualification experience.
3. Gideon Keke Master of Business Administration		<i>Chairperson Audit & Risk Management Committee</i> DOB: 22.06.1984 Work experience: 10 years experience in telecommunication and real estate industries
4. Winnie RIUNGU MSC. Finance JKUAT		<i>Chairperson Finance & Infrastructure Committee</i> DOB: 20.02.1990 Work experience: 10 years' experience in various capacities in the finance field
5. Mrs Olivia A. Odongo Masters in Education & Planning		<i>County Director TVET, Nairobi Region</i> <i>County Director TVET: Kajiado –Narok Region</i> DOB: 13/11/1962 Work experience: Trainer 20 years, Quality Assurance – 5 years DRMD Research Management – 2 years CDACC – 3 years DTE – CDTVET – 2years

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5. Margaret NADUPOI <i>Highest Education qualification:</i> Bachelor of Arts (Community Development)		DOB: 1983 Work experience: Over 15 years' experience in a variety of fields.
6. Charles KARIUKI <i>Highest Education qualification:</i> Msc Computer Science		DOB: 1984 Work experience: 17 year work experience in various capacities
7. Dr Lumumba Okoth Achieng' 	<i>Highest Education qualification:</i> Masters in Veterinary Medicine	<i>Principal/ Secretary Board of Governors</i> ICPSK No: DOB: 27th November 1962 Work experience: Teaching in various institutions from 1985

III. MANAGEMENT TEAM

Name of the Staff	Responsibility
 Dr Lumumba Achieng' Principal Masters in Veterinary Medicine	Accounting officer, Principal of the College, Secretary to the board of Governors.

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	Mrs Jennifer Gachago Ag Deputy Principal In charge Academic affairs Bachelor of Education (Arts)
	Peter Bukusi Finance Officer CPA (K)
	Alfred Simintei Sakuda Head of Procurement Bachelor of Purchasing and Supply Management
	Christopher Mpapayio Ole Tipoi Dean of Students Bachelor of Science Environmental Horticulture and Landscaping Technology
	Daniel Odhiambo Owino Registrar Bachelor of Commerce Finance & Banking option

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IV. CHAIRMAN'S STATEMENT



In the Financial Year 2020-2021, the College has experienced tremendous progress in a number of areas of operation key among them the growth in numbers of students and staff who are the backbone of our existence as a College and our core mandate as per the TVET-Act 2013. Realizing the importance of this growth opportunities, we established a select team to enable us prioritize and sequence our growth. The team involved our board members, management team and staff came up with a strategic plan for the College in a yearlong painstaking exercise which we were able to adopt to give us a road map into the future. This team has led the way to show that Together Everyone Achieves More (TEAM).

In the past year, we have registered and enrolled 250 students for programs in our College. We have begun implementing our Strategic Plan in earnest, which involves activities of setting up infrastructure and equipment to enable transfer of skills and knowledge to students. Being a young College we believe the baby steps we are making will lead us to be giants in year to come.

A special mention is to our main stakeholder the Ministry of Education, State Department of Vocational and Technical Training. They have through various initiatives brought a lot of progress to our College. We did recruit trainers whom we seconded as a board for employment by the Public Service Commission.

Having qualified tutors who are well motivated is a big step in the pursuit of our mandate as a College. Through Capitation our College has received funds that have enabled the College to run. Through the continuous involvement in the affairs of the College, the aims and objectives of the Government of Kenya to make our country a middle income country by equipping our youth with knowledge, skills and attitudes that are economically productive will surely be achieved. Our College through activities and initiatives mandated will contribute in a big way for many years to come.

Ewuaso Nyiro South Development Authority has held us and supported us to change the face of our College in a tremendous way by giving us drip irrigation equipment and piping water to our College. This is a symbiotic relationship that has dearly benefited the College and will continue to benefit us for many year to come. National Youth Service has been and still is a key supporter in another symbiotic relationship. They have provided us with over 100 students to train. Contributing to our well-being and boosting our student population as we also assist them in achieving their target of imparting knowledge and skills to their graduates.

This report details the College's activities and financial performance during the year, which show a financial state of good health. The College has committed and dedicated staff who worked tirelessly to support management in achieving College objectives. The financial year begun amidst the COVID-19 pandemic, and our training functions having been stopped by Presidential Order in March 2020. It is our hope and prayer that all of us members of the College fraternity and the world at large overcome this pandemic so that we may continue with our lives and pursue the mandate of the College normally. We foresee a bright future for the College as a place where youth and the young at heart can come and acquire skills knowledge and attitudes for them to pursue their hopes and dreams in an environment that is serene. And that staff and other stakeholders can come and impart skills, knowledge, goods, services and experience and get a fair reward for their efforts.

Our efforts in the years to come will be geared towards ensuring that this is possible.

A handwritten signature in black ink, appearing to read 'Peter Matura', written over a horizontal line.

Peter Matura
Chairman of the Board of Governors

7. REPORT OF THE PRINCIPAL



This has been a significant year for Kajiado West Technical & Vocational College. We have operated amidst unprecedented change over the past 12 months and we continue to transform our College. We have taken decisive, immediate action on the challenges we faced. In a very deliberate way we have made the changes needed to re-energize our operations. We have guided our efforts with priorities we set out in our strategic plan 2020-2023.

As a result, we are on track to achieve our targets. Of course there is still more to do, especially in these uncertain times of COVID-19 – but we are on the road to recovery and momentum is building across our College operations. Our College is at its best when we make students our absolute priority. Over the past year, we have restored our total commitment to giving the best possible service to our students. This has reflected in results achieved by our

students in the January 2021 series of the KNEC exams where our mean score was 85%. The new purpose we have set out for the College: serving students a little better every day. This is guiding every action we are taking and has been instrumental in making KWTVC the place it is today. As we continuously invest in training equipment and materials and continuously check on our students' holistic progress, we continue to review and simplify our processes to add tuition hours for students in theory and practical endeavours as we prepare them for examinations. This approach has served us well and as the results showed, we believe we will continue to get good results for our students in future.

Our transformation programme is not only in the lecture halls but in the support areas as well. We continuously increase the capacity of our staff to be able to assist the teaching staff in ensuring they are able to discharge their main mandate of providing technical & vocational skills to students. By focusing on fixing the fundamentals of training the students, we have seen growth in all areas of our operations. In Performance Contracting we are among the top performers among Technical Institutions. Our board continues to get trainings and capacity building to enhance our corporate governance structures. This fosters commitment and enhances the supervisory function the board provides over the operations of the College. Student numbers, funds collected and spent are improving despite the last financial year beginning in the middle of the pandemic.

We have also taken some important decisions that – whilst difficult – have enabled us to move more quickly towards protecting and strengthening our operations. These include the strategic partnerships that have enabled us to transform our college compound to a farm capable of feeding the college population and supply the surrounding towns with vegetables, we have the kitchen and dining hall project ongoing as well as the Public Private Partnerships for accommodation of students that provides the community surrounding the College with the opportunities to benefit economically directly from our students who come from all over the country.

Our progress has been led by the commitment and passion demonstrated by our staff at all levels. The Annual report and financial statements give a glimpse into how far the College has come in pursuit of its mandate.

I am sure that the coming year will be another busy year and I'm confident that with the student at the heart of the operations, we will continue to build a great future for our country.


Dr Lumumba Achieng
Principal/Secretary BoG

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VI. CORPORATE GOVERNANCE STATEMENT

Kajiado West Technical & Vocational College is fully committed to the principles of good corporate governance encompassing transparency, integrity and accountability. In fulfilment of this objective, the College has put in place this Corporate Governance Statement ("this Statement"), a detailed Board Charter ("the Charter" set out on page x to xvi) and a Board Work Plan. This Statement and the Charter impose an obligation on board members to hold themselves accountable to all the College's stakeholders for the due observance of the principles and practices detailed in the two documents (i.e. this Statement and the Charter).

Board of Governors

The board is responsible for formulating the College's policies and strategies and ensuring that its core objectives - principally geared towards promoting and pursuing its mandate as guided by the TVET Act 2013 - are well articulated, systematically implemented, and actively pursued.

The board retains the supervisory responsibility for the efficient management and effective control of the College. The Principal, on behalf of the board, acts hand in hand with the rest of the management team, guides and directs the business operations of the College, on a day to day basis. In addition, the board approves detailed work plans, internal guidelines and manuals, and closely monitors compliance and implementation.

A timetable of board meetings (in the form of a detailed annual Board Work Plan) is fixed each year in advance by the board. Notices of board meetings are issued and distributed in advance to directors, together with the agenda and board papers. The full board meets regularly, at least three times a year.

The board has established a process of performance evaluation for the board and individual board members. Annual audit reports and the corresponding audit management letter (whenever this is issued) are tabled for review at board meetings and appropriate action taken. Other statutory reports are handled in a similar manner, as and when they are issued or received.

Board Committees

The Board delegates some of its powers to standing, or ad hoc, board committees (and, occasionally, task forces), as and when these are set up. Whenever such committees or task forces are established, clear terms of reference are developed and adopted. Their performance is also kept under close scrutiny to ensure that they discharge their respective mandates as expected.

The board has currently established the following committees:

1. ACADEMICS RESEARCH & INNOVATIONS COMMITTEE
2. AUDIT & RISK MANAGEMENT COMMITTEE
3. FINANCE, OPERATIONS & INFRASTRUCTURE COMMITTEE

Staff and Student Welfare

The College is an equal opportunity employer. In pursuance of this objective, its employees are recruited on merit, without discrimination on gender, religion, culture, tribe, disabilities and from as diverse social backgrounds as possible.

The College admits students without discrimination on gender, religion, culture, disabilities and from as diverse social backgrounds as possible.

The College endeavours to provide staff and students with a conducive work and learning environment.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

KWTVC's operational and financial performance

Below is a summary of our financial performance:

All figures are in Kenya Shillings.

	2017/2018	2018/2019	2019/2020	2020/2021
Income	1,946,199	12,365,420	24,109,865	40,494,514
Expenditure	869,964	15,148,566	40,741,335	48,021,811
Surplus/(Deficit)	1,076,235	(2,783,147)	(16,631,470)	(7,527,297)

Key projects and investment decisions KWTVC is planning/implementing

DRIP IRRIGATION PROJECT

Having benefited from water infrastructure from ENSDA, the College now has set up a 5 acre farm for vegetables and fruits for local consumption, sales to the neighbourhood and as a demonstration farm for food security. This has and will continue to require large amounts of funds to keep the farm running and productive for tuition and sustainability purposes.

LANG'ATA TECHNICAL & VOCATIONAL COLLEGE - MENTORSHIP

Our mentorship of the erection and completion of Twin workshop, classrooms and offices' block (2-storey) for the proposed Langata Technical and Vocational College – Nairobi County (Langata Constituency) continues.

The works currently stand at 67% complete.

Major risks facing KWTVC

Major risks to the college are:

- i. Low student numbers: We are conducting several college marketing initiatives and are hopeful they will boost the student enrolment numbers come the next financial year and in the years to follow.
- ii. The success of our college is dependent upon our ability to attract and retain key personnel, including trainers and technicians.
- iii. We are dependent upon the disbursement of funds from our parent ministry for execution of our budgets and programs. Failure to receive disbursement or delayed disbursements really affect our operations.
- iv. It may not be possible to claim or collect from the government capitation for financial period past even when our returns were in order. It is also difficult to collect on grant promises which are factored into our budgets.
- v. Project proposal negotiation and funding from the Ministry of Education is outside our control and the proposal terms may change in the future.

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- vi. The substantial majority of our revenue is derived from a limited number of sources. During the year ended 30 June 2021, those sources that represented greater than 10% of our total revenue were:
 - a. Trainee fees collection: 18.7% of our total revenue
 - b. Grant Capitation: 13.5% of our total revenue
 - c. Lang'ata TVC: 49.3% of our total revenue
 - d. Other Income: 18.5% of our total revenue
- vii. College fee revenue from our trainees is a significant portion of overall revenue. There is need to diversify our revenue sources away from student led revenue streams to enhance sustainability.
- viii. Competition for trainees is highly competitive in Kenya, we have to make sure that the caliber of our training programs is of high standard so that our trainees will be our No. 1 marketers. This increased competition could cause our profitability to decline.
- ix. A cyber-attack on or disruption to our IT systems or other systems utilized in our operations could compromise our operations, adversely impact our reputation and subject us to liability.
- x. Our digital media strategy is unproven and may not generate the student numbers and hence the revenue we anticipate.
- xi. Inability to take up insurance policies could expose us to significant losses.
- xii. We are subject to governmental regulation and other legal obligations related to privacy, data protection, data security and safeguarding. Our actual or perceived failure to comply with such obligations could harm our college.
- xiii. Session interruptions due to pandemics, natural disasters, terrorist incidents and other events could adversely affect us.

Material arrears in financial obligations

The pending bills at the close of the financial year stood at KES 13,785,234.

KWTVC's compliance with statutory requirements

The college endeavours to comply with statutory requirements and the main areas of compliance is to pay for staff the NHIF, NSSF, PAYE and to make the quarterly and annual returns complying with PFM Act and directives from the Ministry of Education, the Presidency and other coordinating agencies such as KUCCPS & KATTI.

The College's financial probity and serious governance issues

The National Treasury has released guidelines on financial reporting, which we have complied with in this financial year for all previous quarters. No major financial improbity has been brought to our attention by the Treasury department. Being the first point of oversight, the Board in its calendar has scheduled quarterly meetings of the Audit & risk management committee to strengthen the oversight on the execution of the budget.

VII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Since the signing of the TVET Act 2013 and its subsequent operationalization, the true spirit of Technical & Vocational Training as a social responsibility has been shining through the continuous opening and investment in the operations of TVET Colleges. At Kajiado West Technical & Vocational College, we are committed to the highest standards of corporate citizenship. Our culture and values are rooted in service, integrity, and taking responsibility for our actions, outcomes, and reputation. As a college, we impart skills to trainees. These skills are intended to empower trainees with employable skills and connect people with employment opportunities and make a difference in the communities in which we live and work. Given the worldwide span of the labour market, clients, suppliers, and partners, we recognize the global reach of our trainees and their practice and our public accountability.

Our Social responsibility initiatives are built around the following critical areas.

Providing sustainable benefits for our stakeholders.

At Kajiado West Technical & Vocational College we recognize that our operations impact directly and indirectly very many lives and livelihoods. We continuously update our stakeholders on developments on our mandate of Vocational & Technical Training and ensure we are well equipped to provide information that is helpful and timely for decision making.

Minimising our impact on the environment both directly and through what we do with our stakeholders.

At Kajiado West Technical & Vocational College, we recognize the shared responsibility to protect our planet. Although our facilities and operations have a small ecological footprint, we reduce the environmental impact of our business through preservation, conservation, and waste reduction practices.

Providing support for the well-being and development of staff.

We take seriously our responsibilities to protect, support, and prepare workers for successful careers, and to advocate on their behalf. Our efforts are focused on providing career opportunities and resources to the global workforce, and leading by example in areas such as workplace safety, health and wellness, diversity and inclusion, and training and development. We believe in opportunity for all and are steadfast in our commitment to equal employment opportunity, the protection of human rights, and the continuous development and capacity building of staff.

Developing meaningful partnerships with our suppliers.

Kajiado West Technical & Vocational College management understands that it takes all of us working together to truly have an impact. As such, we partner with organizations in the community where are located to improve lives and society as a whole – by engaging in activities such as national cohesion activities, reserving procurement opportunities for quotas, working with people with disabilities, student body activities, procurement sensitization workshop among other initiatives. We also seek to engage with suppliers who operate using socially responsible business practices.

Continuous development of our governance and transparency.

Kajiado West Technical & Vocational College is committed to doing the right thing, conducting ourselves in a legal, ethical, and trustworthy manner, upholding our regulatory obligations, and complying with both the letter and spirit of our policies.

We are individually and collectively accountable for upholding our corporate social responsibility commitments. We encourage participation across our organization, and we will work with external stakeholders to continually contribute to the imparting and improvement of skills and abilities, and ensure our actions are socially, ethically, and environmentally responsible.

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IX. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activities of the College continue to be to provide technical and vocational education and training.

Results

The results of the College for the year ended June 30, 2021 are set out on page 1 to 5.

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page *vii* to *ix*.

Auditors

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

By Order of the Board



Dr Lumumba Achieng
Secretary to the Board of Governors
Kajiado
Date: 7th June 2022.

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X. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of 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 Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the *College's* 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 ended on June 30, 2021. 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 College; (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 the *College*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *College'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 TVET Act 2013. The Board members are of the opinion that the *College's* financial statements give a true and fair view of the state of *College's* transactions during the financial year ended June 30, 2021, and of the *College's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *College*, which have been relied upon in the preparation of the *College's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *College's* financial statements were approved by the Board on 7th June, 2021 and signed on its behalf by:



Olivia Odongo
County Director TVET

Winnie Riungu
Board Member

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado West Technical and Vocational College set out on pages 1 to 26, which comprise of the statement of financial

position as at 30 June, 2021, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 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 the Kajiado West Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Examination of the financial statements provided for audit revealed the following inaccuracies:

- (i) The statement of financial position reflects property, plant and equipment balance of Kshs.123,387,979 while note 16 to the financial statement reflects a balance of Kshs.95,065,359.
- (ii) The statement of cash flows reflects cash and cash equivalents balance of Kshs.9,542,569 as at 30 June, 2020 while the statement of financial position and the corresponding Note 12 reflects a balance of Kshs.3,792,359 and Kshs.3,028,002 respectively. Further, the statement of cashflows reflects cash flows from investing activities in respect of property, plant and equipment balance of Kshs.20,925,008 while Note 16 indicates additions to property, plant and equipment during the year amounting to Kshs.4,159,176. The variances were not explained or supported.
- (iii) The statement of changes in net assets reflects additional capital balance of Kshs.1,639,065 which was not explained or supported.
- (iv) The statement of financial performance reflects other income balance of Kshs.5,831,895 which differs with the balance of Kshs.7,441,014 reflected in Note 8 to the financial statements.
- (v) The statement of financial performance reflects a depreciation charge amount of Kshs.11,099,791 while the corresponding Note 12 and Note 16 to the financial statements reflects an amount of Kshs.17,217,845.

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

2. Unsupported Balances

2.1 Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,792,359 while the corresponding Note 12 to the financial statement reflects Kshs.3,028,000 which includes cash of Kshs.404,348. However, the management did not maintain a cash book and bank reconciliation statements. Further, the board of survey of cash report to support the cash in hand was not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.3,792,359 reflected in the statement of financial position could not be confirmed.

2.2 Revenue from Exchange Transactions

The statement of financial performance reflects Kshs.7,548,500 in respect of rendering of services - fees from students and disclosed in Note 7 to the financial statements. However, the schedules in support of the student fees were not provided for audit.

In the circumstances, the accuracy and completeness of the revenue in respect of rendering services of Kshs.7,548,500 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado 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.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.87,880,563 against actual receipts of Kshs.38,885,395 resulting to an under collection of Kshs.48,995,168 or 56% of the budgeted amount. Similarly, the College budgeted to spend Kshs.87,880,563 against an actual expenditure of Kshs.30,723,873 resulting to an under expenditure of Kshs.57,156,690 or 35% of the budgeted amount. The underfunding and underperformance affected the planned activities and may have impacted negatively on the service delivery of the College.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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

1. Delay in completion of the Proposed Erection of Twin Workshop, Classrooms and Office Blocks (2-storey) for the Proposed Langata Technical and Vocational College

As reported in the previous year, the College entered into a contract with a local company for the proposed erection and completion of a twin workshop, classrooms and office blocks (2-storey) for the proposed Langata Technical and Vocational College - Nairobi County (Langata Constituency) vide tender No.MoE-VTT/TVET/22/2018-2019 for dated 23 May, 2019 at a contract sum of Kshs.56,828,963. The Contract was to commence on 12 June, 2019 for a period of 52 weeks. The notification of awards was done on 17 April, 2019 with the acceptance of award made on 25 April, 2019, 9 days after notification of the award. The evaluation report was signed on 26 April, 2019 by the Secretary only.

The contract period was expected run from 12 June, 2019 to 12 June, 2020 with a revised completion time of 7 February, 2021. However, the site status report dated 19 October, 2021 from the Resident Engineer indicated that the project's overall completion was 65% complete. Physical verification carried out on 20 April, 2022 revealed that the building had not been completed and there was slow progress of work, 70 weeks after the scheduled contract period and the contractor was not on site.

In the circumstances, the slow progress may amount to cost escalation due to changes in prices and cause the public not to obtain value for money from the project.

2. Irregular Procurement of Construction Works of College Kitchen and Dining

The statement of financial position reflects property, plant and equipment balance of Kshs.123,387,979 which includes an amount of Kshs.2,385,815 for the construction of a students kitchen and dining hall. Analysis of the payment documents and project file provided revealed that there was no approved budget, procurement plan, and board minutes authorizing the commencement of the project.

Further, it was established that the basis of commencing the implementation of the project was an application letter by one of the College building tutors which was awarded at a cost of Kshs.15,000,000 without adhering to proper procurement procedures. The

architectural and structural drawings were not approved by the relevant County authorities.

In addition, the payment vouchers for the project presented for audit were not supported with interim payment certificates and approval by the accounting officer.

A site inspection in April, 2022 revealed that there were no works on going on site since December, 2020.

In the circumstances, the expenditure of Kshs.2,385,815 incurred on the project was irregular and may not have delivered the desired value for money.

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 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 Internal Audit Function and Internal Audit Committee

Review of the College records revealed that it does not have an Internal Audit Function and an Internal Audit Committee contrary to the Public Finance Management Act, 2012. The internal audit function will aid the College in review and evaluation of budgetary performance, financial management, transparency and accountability mechanisms and processes.

At the same time, the Board has a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance within the College. It also reviews the effectiveness of the financial and non-financial performance management systems of the College.

In the circumstances, the lack of internal audit function and the audit committee may interfere with good governance processes.

2. Information Communication Technology (ICT) Environment

Review of the College ICT environment during the year ended 30 June, 2021 revealed that the Information Technology (IT) department was understaffed with no formal approved ICT policy to enable the College manage business processes for the delivery of services to the stakeholders in an effective and efficient manner. It was further noted that the College did not have any IT system. The College also lacked a comprehensive ICT inventory such as asset management system for consolidating assets within the College and managing assets acquisition and disposals, an integrated human resource management system for integrating all human resource functions within the College and an accounting system for managing accounting functions within the College which includes financial reporting and payment system.

Failure to automate the processing environment fully and effectively to manage the IT operations might lead to data confidentiality, accuracy, reliability, integrity and availability being compromised which may affect the effectiveness of the operations of the College.

3. Lack of Disaster Recovery Plan

During the audit exercise, it was observed that the College did not have a disaster recovery or business continuity plan. In the absence of a disaster recovery or business continuity plan, the College lacks a blue print for identifying, preventing and mitigating against disasters and ensuring that its operations are not interrupted in the event of a disaster.

4. Lack of a Risk Management Policy

During the audit, it was noted that the College lacks a risk management policy thus it does not have a framework for management of risk and hence not possible to identify, assess and control risk. As a result, it is not possible to define the College's risk appetite and set the risk tolerance levels by identifying boundaries against unacceptable exposure to risk.

Failure to develop a risk management policy means that the College may not be able to assess and control risk.

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

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 July, 2022

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

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6	5,475,000	2,610,000
Total Revenue from non-exchange transactions		5,475,000	2,610,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	7,578,500	5,415,660
Other income	8	5,831,895	4,796,845
Revenue from exchange transactions		13,410,395	10,212,505
Total revenue		18,885,395	12,822,505
Expenses			
Use of goods and services	9	9,420,078	4,604,165
Employee costs	10	3,882,681	2,688,981
Management costs	11	2,059,599	1,522,748
Depreciation and amortization expense	12	11,099,791	8,363,817
Total expenses		26,462,148	17,179,711
Net Surplus for the year		(7,576,753)	(4,357,206)
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus/(deficit) attributable to owners of the controlling entity		(7,576,753)	(4,357,206)

The notes set out on pages 7 to 67 form an integral part of the Annual Financial Statements.

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XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	3,792,359	11,592,338
Receivables from exchange transactions	14	13,905,570	4,397,855
Receivables from non-exchange transactions	15	-	870,000
Total Current Assets		17,697,929	16,860,193
Non-current assets			
Property, plant and equipment	12	123,387,979	113,562,761
Total Non-current Assets		123,387,979	113,562,761
Total assets		141,085,907	130,422,954
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	16	13,785,234	14,858,503
Current portion of borrowings	18	300,000	600,000
Student fees paid in advance	17	856,380	3,191,920
Caution money	21	295,000	151,000
Student welfare	20	267,665	102,215
Total Current Liabilities		15,504,279	18,903,638
Total liabilities		15,504,279	18,903,638
Capital and Reserves			
Reserves		-	-
Accumulated surplus		(38,178,693)	(30,601,940)
Capital Fund		163,760,321	142,121,256
Total Capital and Reserves		125,581,628	111,519,316
Total Liabilities and Capital & Reserves		141,085,907	130,422,955

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


 Peter Matura
 Chairman of the
 Board of Governors
 Date: 7/6/2022


 Peter Bukusi
 Finance Officer
 ICPAK No
 Date: 7/6/2022


 Dr Lumumba Achieng
 Principal
 Secretary BoG
 Date: 7/6/2022

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

	Retained earnings	Capital/ Development Grants/Fund	Total
Balance as at 1st February 2018	-	130,107,286	130,107,286
Revaluation gain	-	-	-
Fair value adjustment on quoted investments	-	-	-
Total comprehensive income	(26,244,734)	-	(26,244,734)
Capital/Development grants received during the year	-	2,000,000	2,000,000
Transfer of depreciation from capital fund to retained earnings	-	-	-
Balance c/d as at June 30, 2019	(26,244,734)	132,107,286	105,862,553
Balance as at 1st July 2019	(26,244,734)	132,107,286	105,862,553
Additional capital	-	13,970	13,970
Fair value adjustment on quoted investments	-	-	-
Total comprehensive income	(4,357,206)	-	(4,357,206)
Capital/Development grants received during the year	-	10,000,000	10,000,000
Transfer of depreciation from capital fund to retained earnings	-	-	-
Balance c/d as at June 30, 2020	(30,601,940)	142,121,256	111,519,316
Balance as at 1st July 2020	(30,601,940)	142,121,256	111,519,316
Additional capital	-	1,639,065	1,639,065
Fair value adjustment on quoted investments	-	-	-
Total comprehensive income	(7,576,753)	-	(7,576,753)
Capital/Development grants received during the year	-	20,000,000	20,000,000
Transfer of depreciation from capital fund to retained earnings	-	-	-
Balance c/d as at June 30, 2021	(38,178,693)	163,760,321	125,581,628

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XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020/2021	2019/2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	5,475,000	2,610,000
Rendering of services- Fees from students	7	7,578,500	5,415,660
Other income	8	5,831,895	4,796,845
Prepaid fees	17	856,380	3,191,920
Caution money	21	295,000	151,000
Student union fees	20	267,665	102,215
Total Receipts		20,304,440	16,267,640
Payments			
Compensation of employees	10	3,882,681	2,688,981
Use of goods and services	9	9,420,078	4,604,165
Remuneration of governors	11	2,059,599	1,522,748
Total Payments		15,362,358	8,815,894
Net cash flows from operating activities		4,942,083	7,451,746
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	12	(20,925,008)	(25,195,337)
Increase in investments	12		
Net cash flows used in investing activities		(20,925,008)	(25,195,337)
Cash flows from financing activities			
Borrowings	18	300,000	600,000
Equity		21,639,065	10,000,000
(Increase) / decrease in debtors	14	(8,637,715)	4,249,640
Increase / (decrease) in creditors	15 & 16	(3,399,359)	15,527,185
Net cash flows used in financing activities		9,901,991	30,376,825
Net increase/(decrease) in cash and cash equivalents		(6,080,934)	12,633,234
Cash and cash equivalents at 1 July 2020		15,623,503	2,990,269
Cash and cash equivalents at 30 June 2021	14	9,542,569	15,623,503

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

		Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of budget achieved
		2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	
	Revenue						
1	Capitation grants	14,700,000	(1,185,000)	13,515,000	5,475,000	(8,040,000)	40.51%
2	Grants in Aid	2,000,000	-	2,000,000		(2,000,000)	0.00%
3	Rendering of services	11,847,700	3,951,460	15,799,160	7,578,500	(8,220,660)	47.97%
4	Other Income	7,476,220	2,261,220	9,737,440	5,831,895	(3,905,545)	59.89%
5	Lang'ata TVC mentorship	10,000,000	36,828,963	46,828,963	20,000,000	(26,828,963)	42.71%
	Total income	46,023,920	41,856,643	87,880,563	38,885,395	(48,995,168)	44.25%
	Expenses						
6	Compensation of employees	5,323,800	684,550	6,008,350	3,882,681	(2,125,669)	64.62%
7	Use of Goods and services	29,237,470	4,250,938	33,488,408	9,420,078	(24,068,331)	28.13%
8	Lang'ata TVC mentorship	10,000,000	36,828,963	46,828,963	15,361,516	(31,467,447)	32.80%
9	Management expenses	1,462,650	92,192	1,554,842	2,059,599	504,757	132.46%
	Total expenditure	46,023,920	41,856,643	87,880,563	30,723,873	(57,156,690)	34.96%
	Surplus for the period	-	-	-	8,161,522	8,161,522	

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Budget notes

		% of budget achieved	Variance Explanation
	Revenue		
1	Capitation grants	40.51%	The difference arose from the disbursements from State Department for Vocational & Technical Training. There was a difference in the number of students estimated to be paid for and the actual students paid for capitation through the year and the amount received for capitation.
2	Grants in Aid	0.00%	The government cancelled all grants in aid in the course of the financial year and in its place indicated Capitation would be the main disbursements to the College.
3	Rendering of services	47.97%	The budget was missed as we did not meet our recruitment budget.
4	Other Income	59.89%	Due to the Covid-19 pandemic interruption, we were not able to meet our targets.
5	Lang'ata TVC mentorship	42.71%	Disbursements from MoE to enable the college complete the project were not realized.
	Total income	44.25%	
	Expenses		
6	Compensation of employees	64.62%	The College was not able to recruit for all positions projected and compensate appropriately due to lack of enough funds.
7	Use of Goods and services	28.13%	The College did not incur all projected as there were not enough funds to comply with Procurement processes. This was also affected by the Covid-19 pandemic shut down.
8	Lang'ata TVC mentorship	32.80%	Due to the interruption by the Covid-19 pandemic the main contractor was not able to progress as projected. This also affected the disbursement of funds from MoE for the project.
9	Management expenses	132.46%	The over expenditure was due to additional board engagements directed by the ministry.
	Total expenditure	34.96%	
	Surplus for the period		

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kajiado West Technical & Vocational College is established by and derives its authority and accountability from TVET Act 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is provision of technical and vocational training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. 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 *College's* accounting policies. The areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4(d)

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *College*.

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

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

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Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ii. Early adoption of standards

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

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 College and can be measured reliably. Capitation is recognized in the statement of comprehensive income.

ii) Revenue from exchange transactions

Rendering of services

The College recognizes revenue from rendering of services by reference to the time of admission of students.

Other income

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Revenue from the sale of goods is recognized from sales in cafeteria, boarding fees charged, development fee, registration, medical, KUCCPS, student ID, examination fees, farm and prequalification charges to bidders for supplies.

b) Budget information

The original budget for FY 2020/2021 was approved by the Board on 13th January 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget. Accordingly, the College recorded additional appropriations of **Kshs 41, 856,643** on the FY 2020/2021 budget following the Board's approval.

The College'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.

An explanation of the differences between actual and budget performance is also provided.

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 V of these financial statements.

c) Taxes

Current income tax

The College is exempt from paying taxes as provided under **paragraph 10** of the **First Schedule** of the **Income Tax Act CAP 470**.

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.

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation. 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 College 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.

As the College begun operations, the following were the adopted values of Property, Plant & Equipment indicated as adopted by the Board of Governors.

Land: KES 18,000,000 for the fifteen (15) acres the College sits on valued at Kenya Shillings One Million, Two Hundred Thousand each. Information from adoption of value at Board meeting of 7th August 2018 after briefing by the Board Chairperson on consultation with local residents and leadership. Proper valuation to be considered once title deed is processed.

Building: Valued at Kenya Shillings Fifty Four Million, One Hundred and Sixty Five Thousand, Three Hundred and Thirty Five (KES 54,165,335) information derived from the Winning tender document from mentoring institution.

Computers: Valued at Kenya Shillings Four Million (KES 4,000,000). Information from adoption of value at Board meeting of 7th August 2018 after briefing by the Principal of mentor institution and County Director at the time.

Computers: Valued at Kenya Shillings Two Million (KES 2,000,000). Information from adoption of value at Board meeting of 7th August 2018 after briefing by the Principal of mentor institution and County Director at the time.

e) Research and development costs

The College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the College 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.

f) Financial instruments

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 College 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

The College recognizes in the statement of Financial Position a loan of KES 300,000 from sister College Masai Technical Training Institute.

i) Inventories

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

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

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

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

j) Provisions

Provisions are recognized when the College 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 College 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

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The College 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 College 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 College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The College creates and maintains a revenue reserve which is an accumulation of accounting surpluses and deficits which arises mostly from the unpaid fees expected from students due to accounting method used to prepare accounts and unutilised funds at the end of the financial year. This reserve is unrestricted and can be utilised for sustenance of the College along the vote heads that have been approved by the Board of Governors.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the College pays fixed contributions to National Social Security 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.

n) Related parties

The College 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 College, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Principal and the management team.

o) Service concession arrangements

The College 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 College 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 College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

p) 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.

q) Comparative figures

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

r) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the College'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 College 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

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arising beyond the control of the College. 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 College
- 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.

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6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Capitation grants	5,475,000	2,610,000
	5,475,000	2,610,000
Conditional grants		
The proposed Lang'ata TVC	20,000,000	10,000,000
Total government grants and subsidies	20,000,000	10,000,000

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the College 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	2019-2020 KShs
Ministry of Education/State Department of Vocational & Technical Training	25,475,000	-	-	25,475,000	2,610,000
NG-CDF Lang'ata Constituency					10,000,000
Total	25,475,000	-	-	25,475,000	12,610,000

7. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition fees	3,295,700	2,179,280
Activity fees	653,250	509,200
Personnel Emoluments	1,506,000	1,074,900
Electricity water & conservancy	635,700	495,520
Local travel & transport	582,075	453,720
Repairs, maintenance and improvement	320,775	250,040
Attachment fees	585,000	453,000
Total revenue from the rendering of services	7,578,500	5,415,660

The income recorded under this heading is the charge prescribed by Permanent Secretary, State Department of Vocational & Technical Training, Ministry of Education. The breakdown of the charge of KES 26,420 is obtained from KATTI (Kenya Association of Technical Training Institutions) as charges per student as follows:

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Vote head	Amount
	Kshs
Tuition fees	7,180
Activity fees	3,350
Personnel Emoluments	5,000
Electricity water & conservancy	
Local travel & transport	
Repairs, maintenance and improvement	1,645
Attachment fees	3,000
Total	26,420

Description	2020-2021	2019-2020
Students charged	286	204

8. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Boarding fee	1,668,000	562,500
Driving lessons fees	-	106,360
ECDE fees	-	61,000
Cafeteria	2,601,115	2,277,415
Development fee	1,152,000	912,000
Registration	124,000	89,000
Medical	172,800	135,900
KUCCPS	160,500	151,500
Student ID	48,000	36,750
Examination fees	1,474,280	1,659,270
Farm	1,319	4,210
Computer packages fees	-	28,000
Prequalification charge	39,000	52,000
Procurement workshop charge	-	6,000
Admission processing	-	2,300
Total revenue from the sale of goods	7,441,014	6,084,205

This is revenue that is collected at the college for operation purposes that aid in the provision of our key mandate and improve the College sustenance.

9. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition & curriculum costs	4,258,572	2,127,971
Activity and sports costs	234,773	393,500

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Examination costs	1,295,289	190,708
Boarding unit costs	1,162,725	959,624
Electricity water & conservancy costs	154,279	520,129
Repairs, maintenance and improvement costs	154,135	66,360
Attachment costs	80,093	30,485
KUCCPS Charge	60,000	36,000
LTVC Costs	15,361,516	22,888,294
Medical Costs	106,842	10,960
Computer package costs	2,030	-
ECDE costs	1,000	19,032
HDBT PU costs	-	1,000
Driving lessons costs	389,000	48,760
Cafeteria costs	1,587,473	973,898
Preq. costs	13,960	72,100
Total good and services	24,861,686	28,338,821

10. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	3,580,796	2,477,939
Employee related costs - contributions to pensions and medical aids	301,885	182,008
Travel, motor car, accommodation, subsistence and other allowances		
Employee costs	3,882,681	2,659,947

11. MANAGEMENT EXPENSES DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Management expenses	2,059,599	1,468,700
Total management expenses	2,059,599	1,468,700

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	17,217,845	8,273,867
Total depreciation and amortization	17,217,845	8,273,867

13. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	2,623,654	10,903,690

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Cash	404,348	208,920
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Total cash and cash equivalents	3,028,002	11,112,610

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

Financial institution	Account number	2020-2021 KShs	2019-2020 KShs
a) Current account			
Co-operative bank	01139543968000	2,956,474	10,186,965
	01139543968001	307,962	50,253
	01139543968002	491,990	1,206,837
Equity Bank		2,644	102,555
Sub- total		3,759,071	11,546,610
cash in hand		33,288	45,728
Sub- total		33,288	45,728
Grand total		3,792,359	11,592,338

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Current Receivables from Exchange Transactions

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Student debtors	13,905,570	4,397,855
Total current receivables	13,905,570	4,397,855

15. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021 KShs	2019-2020 KShs
Current receivables		
Capitation grants*		870,000
Total current receivables		870,000

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

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16. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs
At 30th June 2019	68,000,000	2,191,600	4,000,000	50,000,000	-	124,191,600
Additions	1,898,205	349,930		57,000		2,305,135
At 30th June 2020	69,898,205	2,541,530	4,000,000	50,057,000	-	126,496,735
Additions	10,000	1,737,261	26,100		2,385,815	4,159,176
Disposals						-
Transfer/adjustments						-
At 30th June 2021	69,908,205	4,278,791	4,026,100	50,057,000	2,385,815	130,655,911
Depreciation and impairment						-
At 30th June 2019	-	263,025	1,200,000	6,250,000	-	7,713,025
Depreciation	1,285,595	285,336	840,000	5,862,936		8,273,867
Transfer/adjustment						-
At 30th June 2020	1,285,595	548,361	2,040,000	12,112,936	-	15,986,892
Depreciation	6,862,261	373,043	496,525	9,486,016		17,217,845
Transfer/adjustment						-
At 30th June 2021	8,147,856	921,404	2,536,525	21,598,952	-	33,204,737
Net book values						
At 30th June 2021	61,760,349	3,357,387	1,489,575	28,458,048		95,065,359
At 30th June 2020	68,612,610	1,993,169	1,960,000	37,944,064	-	110,509,843
At 30th June 2019	68,000,000	1,928,575	2,800,000	43,750,000	-	116,478,575

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Valuation

Land and buildings were valued by estimation of Board of Governors pending valuation by an independent valuer on 18th June 2018 on market value basis of valuation. These amounts were adopted on 18th June 2018.

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	13,785,234	14,858,503
Fees paid in advance	856,380	3,198,490
Loan from Mentor Institution	300,000	600,000
Total trade and other payables	14,941,614	18,656,993

CREDITORS LIST

#	Supplier	1 - 30	31 - 60	61 - 90	> 90	TOTAL
1	Alice Maloi	18,425	-	1,045	-	19,470
2	Alice Nyakundi	-	-	-	270,000	270,000
3	Bakers Corner Co. Ltd	36,860	5,600	-	7,200	49,660
4	College canteen	280	-	-	-	280
5	DavisB Kenya Enterprises	380,250	-	-	-	380,250
6	Gofam Investments Ltd	-	-	-	14,500	14,500
7	Inset Ventures Ltd	-	-	70,000	-	70,000
8	Jegama Suppliers	138,000	-	-	-	138,000
9	Kenya National Trading Corporation	160,000	-	-	160,000	320,000
10	Kenya Power & Lighting Co. Ltd	-	-	51,165	(426)	50,739
11	KUCCPS	-	60,000	-	-	60,000
12	Lesalian Limited	-	8,000	-	-	8,000
13	Naomi Resson	-	105,600	37,800	-	143,400
14	Personnel claims - Dr Lumumba	-	54,600	-	-	54,600
15	Rajo Group of Companies	8,158,671	-	-	2,684,629	10,843,300
16	Roan Kenya Ltd	9,000	-	4,800	100,500	114,300
17	ROSEMARY ENE NASAA	-	-	45,000	-	45,000
18	Samarmar Security Services	58,000	58,000	58,000	-	174,000
19	Stamford bridge services	-	-	-	109,940	109,940
20	Suprenal General Suppliers	-	107,800	-	-	107,800
21	Top Ten Shop	-	6,450	-	-	6,450
22	Tropical steel fabricators	-	-	-	500,000	500,000

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23	TVRE Ltd	-	-	134,068	135,476	269,544
24	Violpure Solutions	-	-	-	36,000	36,000
TOTAL		8,959,486	406,050	401,878	4,017,819	13,785,234

18. REFUNDABLE DEPOSITS FROM STUDENTS

Description	2020-2021	2019-2020
	KShs	KShs
Caution money	192,000	151,000
Student Union	148,650	102,215
Total deposits	340,650	253,215

19. BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Balance at beginning of the year	600,000	
Domestic borrowings during the year	300,000	600,000
Repayments of domestic borrowings during the year	(600,000)	
Balance at end of the year	300,000	600,000

19 a) ANALYSIS OF DOMESTIC BORROWINGS

	2020-2021	2019-2020
	KShs	KShs
External Borrowings		
Domestic Borrowings		
Kenya Shilling loan from Masai TTI	300,000	600,000
Total balance at end of the year	300,000	600,000

20. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	17,217,845	8,273,867
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	-	-
Working Capital adjustments		
Increase in inventory	-	-

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Increase in receivables	(8,638,740)	1,967,125
Increase in deferred income		
Increase in payables	(1,373,269)	12,242,254
Increase in payments received in advance	(2,342,110)	3,037,370
Net cash flow from operating activities	9,690,548	-8,357,603

21. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	4,396,830	840,640	4,087,750	
Receivables from non-exchange transactions	870,000			
Bank balances	11,112,610			
Total	16,379,440			
At 30 June 2021				

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Receivables from exchange transactions	13,905,570	7,024,600	6,024,590	
Receivables from non-exchange transactions				
Bank balances	3,028,002			
Total	16,933,572			

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 College has significant concentration of credit risk on amounts due from absconded students.

The Cabinet Secretary for Education directs the Board on 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 College's directors, who have built an appropriate liquidity risk management framework for the management of the College's short, medium and long-term funding and liquidity management requirements. The College manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	12,597,574	954,987	1,906,341	15,458,503
Total				15,458,503
At 30 June 2021				
Trade payables	9,017,486	1,049,928	4,017,820	14,085,234
Total				14,085,234

22. RELATED PARTY BALANCES

Nature of related party relationships

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Entities and other parties related to the College include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Government of Kenya

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Management team;
- iv) Board members;

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

	2020-2021	2019-2020
	Kshs	Kshs
Transactions with related parties		
a) Grants /Transfers from the Government		
Grants from National Govt. –Capitation	5,475,000	2,610,000
Total	5,475,000	2,610,000
b) Key management compensation		
Management expenses	2,059,599	1,468,700
Total	2,059,599	1,468,700

23. EVENTS AFTER THE REPORTING PERIOD

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

24. ULTIMATE AND HOLDING COLLEGE

The College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

25. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

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

Accounting Officer

Name

Kajiado West Technical & Vocational College

Signature

Date.

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APPENDIX II: PROJECTS IMPLEMENTED BY THE COLLEGE

Projects

Projects implemented by the 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. Construction of Twin workshops, offices & Lecture Halls for the Proposed Lang'ata TVC	MOE/VTT/22 / 2018/2019	GoK	1 Year (Extended)	26,828,963	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	2. Construction of Twin workshops, offices & Lecture Halls for the Proposed Lang'ata TVC	56,828,963	30,021,696	67%	56,828,963	30,021,696	GoK/MoE

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APPENDIX III: INTER-COLLEGE TRANSFERS

COLLEGE NAME:		KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE		
Break down of Transfers from the State Department of Vocational & Technical Training				
FY 2020/2021				
a.	Capitation Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		09.11.2020	1,890,000	FY 2020/2021
		22.02.2021	1,080,000	FY 2020/2021
		30.03.2021	592,500	FY 2020/2021
		30.06.2021	1,912,500	FY 2020/2021
		Total	5,475,000	

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

Finance Officer
Kajiado West Technical &
Vocational College

Sign 

Head of Accounting Unit
Ministry of Education
State Department of Vocational
& Technical Training

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	09.11.2020	Recurrent	1,890,000	1,890,000					1,890,000
Ministry of Education	22.02.2021	Recurrent	1,080,000	1,080,000					1,080,000
Ministry of Education	30.03.2021	Recurrent	592,500	592,500					592,500
Ministry of Education	30.06.2021	Recurrent	1,912,500	1,912,500					1,912,500
Total			5,475,000	5,475,000					5,475,000

