

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 22 FEB 2023

OF

HON. OWEN BAYA, MP
DEPUTY LEADER OF MAJORITY
CHRISTINE NDIRITU

THE AUDITOR-GENERAL

ON

**KAJIADO WEST TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

09 JUN 2022

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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 2020

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

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1. 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.

(b) Principal Activities

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

MISSION

To provide quality training and education and produce skilled manpower for sustainable development.

VISION

A world class technical and vocational college in science, technical and vocational education and training.

MOTTO

Training smart for life solutions

(c) Key Management

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

- Board of council members/ Council/ Management etc;
- Accounting officer/ Principal
- Management team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20XX 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

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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, 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.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(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.kajiadowesttvc.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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2. THE COUNCIL/BOARD OF GOVERNORS

| | |
|--|---|
| <p>1. Peter Matura</p> <p>Masters of Business Administration</p>  | <p><i>Board Chairman</i></p> <p>DOB: 23rd August 1974</p> <p>Work experience: 18 Years working in various capacities.</p> |
|  <p>2. Eric KINOTI</p> <p>Highest Education qualification: Msc. Chemical Engineering – Technology of Petroleum and Gas</p> | <p><i>Chairperson Academics Research & Innovations Committee</i></p> <p>DOB: 28.02.1960</p> <p>Work experience: Eric is currently an independent consultant specializing in the oil industry with over 21 years of post-qualification experience.</p> |
| <p>3. Gideon Keke</p> <p>Master of Business Administration</p>  | <p><i>Chairperson Audit & Risk Management Committee</i></p> <p>DOB: 22.06.1984</p> <p>Work experience: 10 years experience in telecommunication and real estate industries</p> |
| <p>4. Winnie RIUNGU</p> <p>MSC. Finance JKUAT</p>  | <p><i>Chairperson Finance & Infrastructure Committee</i></p> <p>DOB: 20.02.1990</p> <p>Work experience: 10 years' experience in various capacities in the finance field</p> |
| <p>5. Maryan ABDI HASSAN</p>  <p>B Education</p> | <p><i>County Director TVET, Nairobi Region</i></p> <p>DOB: 12th December 1977</p> <p>Work experience: 19 years working experience with GoK in the Ministry of Education</p> |






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| | | |
|--|---|---|
| <p>6. Margaret NADUPOI</p> <p><i>Highest Education qualification:</i> Bachelor of Arts (Community Development)</p> |  | <p>DOB: 1983</p> <p>Work experience: Over 15 years' experience in a variety of fields.</p> |
| <p>7. Charles KARIUKI</p> <p><i>Highest Education qualification:</i> Msc Computer Science</p> |  | <p>DOB: 1984</p> <p>Work experience: 17 year work experience in various capacities</p> |
| <p>8. Dr Lumumba Okoth Achieng'</p>  <p><i>Highest Education qualification:</i> Masters in Veterinary Medicine</p> | | <p><i>Principal/ Secretary Board of Governors</i></p> <p>ICPSK No:</p> <p>DOB: 27th November 1962</p> <p>Work experience: Teaching in various institutions from 1985</p> |

3. MANAGEMENT TEAM

| Name of the Staff | Responsibility |
|--|---|
|  <p>Dr Lumumba Achieng' Principal Masters in Veterinary Medicine</p> | <p>Accounting officer, Principal of the College, Secretary to the board of Governors.</p> |

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

4. CHAIRMAN'S STATEMENT



The 2019-2020 Annual Report is a statement of the status of the College during the year, detailing issues of financial performance, staff postings and trainee courses and enrolment. The College has continued to discharge its core mandate as guided by the TVET-Act 2013. We are developing a strategic plan to guide our progress for the next three financial years, in pursuit of its vision of "A world class center of excellence in technical training and vocational education".

As the premier institution of higher learning in Kajiado West Constituency, the College has continued to offer quality education and training that meets the expectations of industry and the general populace. This is evident from the growing array of programmes on offer. The College has also risen to the challenge of Kenya's Vision 2030 in terms of offering Kenyans greater opportunities for transiting to post-secondary education, where trainees attain skills which are of use as soon as they leave the College on completion of their studies, and ultimately, making a significant contribution in turning Kenya into a middle income economy.

The report also details the College's financial performance during the year, which show a financial state of good health. The good performance of the College is attributed to the commitment and dedication of staff who worked tirelessly to support management in achieving College objectives. Within the year a lot of support, was received from the government, sponsors, and other stakeholders.

The closing half of the financial year was interrupted by the COVID-19 pandemic, and our training functions were stopped by Presidential Order. 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 normal lives and pursue the mandate of the College.

COVID-19 has brought with it challenges as well as opportunities for the College. We will undertake to provide training online and to invest in infrastructure projects such as additional lecture halls for trainees, hostel, kitchen and dining facilities that will carry us into the future with a view to returning to normalcy at an increased capacity.

A lot of time and resources have been spent in orienting the Board members and charting the course of the college. 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, consisting of a series of loops and a long horizontal stroke extending to the right.

Peter Matura
Chairman of the Board of Governors

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5. REPORT OF THE PRINCIPAL

The College has continued to discharge its core mandate as guided by the Board of Governors, in pursuit of its vision of “A world class technical and vocational college in science, technical and vocational education and training”.

As one the Technical & Vocational Colleges built to further the aims of the Vision 2030 and the Big Four agenda by enhancing transfer of technical & Vocational skills and learning in Kenya, the College has continued to offer quality education and training that meets the expectations of industry and the general populace.

COVID-19 has really affected the operations of the College since the learning activities were suspended by presidential order. March examinations were cancelled as a result and we await further direction from our Parent Ministry on the way forward.

As a result of learning activities cancellation, we have lost two terms worth of learning. The trainees preparing for examinations in March and July may have to stay on a while longer when learning resumes. It also means that we lost revenue from Fees collection and our supporting income generating activities of boarding and cafeteria services.

Looking to the future, there is need to invest heavily in infrastructure to enable us manage the planned increase in the number of trainees reporting for training. Lecture halls and rooms, accommodation, kitchen and dining halls is our immediate focus in the coming financial years as elucidated in our strategic plan 20/21-22/23.

As we move into the financial year 2020-2021 below is a description of our activities in the financial year 2019/2020:

II. ADMINISTRATION

On reporting of the tutors from the Public Service Commission, the Principal made substantive appointments to assist with the administration of the college affairs. The following administrative offices were formalized and were filled; Registrar, Exams Officer, Career Guidance & Counselling, Dean of Trainees, Quality Assurance Officer, Performance Contracting Coordinator, Sports Officer, Boarding Master, Heads of Departments Technical & Applied Sciences and Business & Humanities.

There were a number of committees formed to carry out further administrative functions such as the Interview Committee, Disposal Committee, Student Welfare Committee and Inspection & Acceptance Committee Strategic Planning Committee, Prequalification of suppliers Bid opening & Evaluation committees. All these committees were necessary to compliment the administrative work of the Principal's Office.

All these offices and officers have been created to assist the Principal in the administrative roles and functions expected. They get direction from the Principal and report on functions executed with results and recommendations.

The key functions of the department(s) can broadly be described as creating a conducive environment in which learners in the College can have their concerns addressed in a timely, effective and efficient manner.

III. STAFF

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Currently we have thirty five staff in the college, fourteen tutors employed by the Public Service Commission, thirteen tutors and seven non-trainers employed by the Board of Governors.

Achievements

Recruitment and exit of staff members into service of the College, in various cadres is as follows:

| | |
|----------------------------------|-----------|
| End of contract | 1 |
| PSC Recruitment of tutors | 10 |
| BoG Recruitment of tutors | 2 |

The administration successfully completed the negotiations for the 16th cycle of Performance Contract for the financial year 2019-2020 whose key highlight was the drafting and adoption of a strategic plan for the college.

A training for suppliers on Procurement laws and regulations was conducted as a sensitization workshop to the area residents and other interested parties in an effort to boost participation in the college activities by the local community in which we are situated.

In the just concluded financial year 31 trainings/ seminars were attended by the various administrative office bearers for the purpose of competence development.

IV. REVENUE COLLECTION

In the financial year just ended, we had targeted to collect KES 160,872,880. We managed to collect KES 22,726,395. Our collections across our budget lines were as follows:

| # | Revenue description | Budgeted | Actual |
|---|---------------------|--------------------|-------------------|
| 1 | Fees | 8,832,880 | 8,402,380 |
| 2 | Capitation | 7,320,000 | 2,610,000 |
| 3 | Lang'ata TVC | 60,000,000 | 10,000,000 |
| 4 | GoK Projects | 79,000,000 | - |
| 5 | Production Units | 3,720,000 | 3,097,485 |
| 6 | Grants-in-Aid | 2,000,000 | - |
| | Total | 160,872,880 | 24,109,865 |

IELB supported our trainees by paying KES 1,575,080 for 61 applications made and paid bursaries worth KES 15,000 for three trainees. We also received an amount of KES 126,000 in bursaries from various Constituency development funds in fee payments.

NYS sponsors 47 trainees in our college and paid up in full the debt owed for these students. In addition they made an advance payment for 23 trainees yet to report.

We continue to engage and pursue partners for development such as the Kajiado West Constituency Development Fund, the Kajiado County, Ewuaso Nyiro South Development Agency, for commitments to fund infrastructure projects.

Returns are made for which the Capitation received is dependant though discrepancies have been noted on our data submitted and Capitation received.

Our mentorship activities continue and at the end of the financial year the project was 35% complete.

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The Government through the Directorate of Technical Education is yet to commit to fund our development project(s). We continue to engage and submit proposals for funding.

Our production Units continue to do well and we hope to increase revenue in amount and number of income generating streams.

V. STUDENT WELFARE COMMITTEE

The Student Welfare Committee (SWC) is composed of the Dean of Trainees, the Examinations Officer, the Finance Officer and two other trainers. Their function is to co-ordinate trainee welfare initiatives and to be the first point of contact for the trainees' welfare and when trainee(s) are in distress. SWC major mandate to ensure provision of accommodation and catering services to enhance student welfare. SWC had Public Private Partnership agreements with 3 accommodation enterprises. SWC provided boarding to 159 trainees and provided meals for trainees. SWC is supported by departments of finance, sports, procurement, guidance and counselling and security.

Achievements

SWC made the following achievements:

- i. Entering into Public Private Partnership agreements for accommodation provision for trainees
- ii. Increased accommodation through double-decking
- iii. Revenue enhancement from boarding fee and kitchen takings
- iv. Menu setting
- v. Held a cultural day event
- vi. Participated in KATTI sports events

Challenges

SWC experienced challenges in the previous financial year: inadequate accommodation facilities; student indiscipline; low accommodation charges; cooking in Halls of Residence; high electricity costs; lack of consistent water supply; lack of Catering Management Information System (CMIS); lack of sufficient funds; overdue creditors; low staffing levels; lack of staff motivation/low morale; inadequate cooking equipment; lack of proper structure for kitchen and dining; lack of proper ablution block.

Into the future, there will be need for the building of a proper kitchen and dining hall structures; building of college's own hostel and ablution facilities, creation of sports fields for recreational activities, Construction of a students' centre, review of food and accommodation prices, hiring of a cateress, hiring of adequate staff, recovery of internal debts and introduction of wardens for student mentorship.

V. OFFICE OF THE DEAN OF STUDENTS

The Office of the Dean of Students is concerned with student affairs to help address the holistic growth, development and well-being of students in support of the College's vision, mission, and objectives. The Dean works in liaison with different College departments as well as with student leaders, parents and maintain contact with outside agencies and the community to help carry out the mandate of this office effectively and efficiently.

In the just lapsed financial year, the Office encouraged students' positive involvement in internal and external events and partnered with students in programmes planning and facilitation, in order to enhance professional and personal well-being and nurture the right values, strong social responsibility and responsible citizenship.

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In this effort, the Office facilitated ongoing programmes that developed student leadership skills, gave students an awareness of topical issues such as sports participation, HIV/AIDS, career guidance and counselling, often supporting student participation in projects that encouraged innovativeness and creativity, including a positive interaction with the community and the environment.

The Office also addressed issues pertaining to students with special needs and disseminated up-to-date information to the concerned College offices and officers.

- **Student Activities**

The Office related well with the Student Leadership, facilitating them where necessary sometimes under very difficult circumstances.

The students' association carried out activities with some students showing more integrity and maturity than others. The most active in this regard were the athletics team, the Scouts, ASPNET and the Christian Union. The NYS cohorts discipline and camaraderie came out strongly and in most cases for the benefit of the College.

- **Counselling Services**

We continued to offer counselling services through the offices of the Guidance and Counselling Officer.

- **Chaplaincy Services**

A stand-in chaplain was identified to engage with students and we are happy that in this way we were able to reach a large number of our students. There is need to appoint a Muslim Chaplain to support the Muslim students especially during the Holy Month of Ramadhan.

- **Special Needs**

The College has a trainer who is trained in sign language and our building has a ramp for the People with physical disabilities to use to access the upper floor.

- **Placement Services**

Recruitment and career fairs were held throughout the year. The registry working strongly with KUCCPS have been reaching out to prospective students all year round. The Industrial Liaison office continually assists students to get attachments and internships in various organizations and students were requested to send their C.V's to the office for ease of facilitation whenever opportunities arise.

- **Recommendations and future Plans**

There is still a greater focus on module 1 students who readily receive information and varied services from this office. Students in other modules do not readily receive this information and are therefore not aware of the existence of services offered by the office of the Dean of Students. There is need to increase the number of materials published and further post information concerning this office and its services on the College intranet.

VI. INFORMATION AND COMMUNICATION TECHNOLOGY

The ICT is a growing department in the college. Its importance cannot be gainsaid. The department facilitates the College ICT strategy and is responsible for all e-communication of the college. Our College website is continuously improved in terms of content, design, visibility and openness by this department. Some important information such as supplier prequalification announcements and documentation are put

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on our website with a good number of views and download, our course brochures are also viewed and downloaded widely. Staff emails and student information is also accessed from our website.

Upcoming projects

In line with its strategic plan and commitment to provide quality services, the ICT Laboratory will be central to the achievement of our strategic initiatives by facilitating good information flow within and out of the College. The ICT department will embark on a number of projects to ensure that the College aligns itself with modern IT technology demands that will cater for teaching and learning applications as well as dynamic service delivery systems. These include:

Physical facilities upgrade; Installation of MS Active Directory for single sign-in and Upgraded MS licenses; Next Generation Firewall Upgrade, Wifi hotspots, Internet Connectivity, computer networking within the college among other ICT related services.

VII. EXHIBITIONS/MARKETING TRIPS

In the FY 2019/2020 the College participated in the TVET Robotics fair where our participation was to see and learn the requirements and standards that are required for both trainers and trainees for entry into the exhibition.

We carried out marketing trips to towns and Centres around our location and from there were able to recruit 50 new trainees for various courses with many more prospective for the coming admissions.

VIII. PARTNERSHIPS AND COLLABORATION

We have maintained partnerships and collaboration with the TVET umbrella body KATTI. Our collaboration with Tropical Steel Fabricators came to our aid in the design and fabrication of leg pedal operated hand washing equipment.

Strategic issues/Challenges

Institutional support has been instrumental to the continued operations. Shrinking government support is either not received, delayed or drastically reduced and this makes it increasingly difficult for the College to sustain its programs. The College is expected to develop and implement income generating activities that return regular and substantial surpluses for continuing operations of the College.

IX. DEPARTMENT OF SPORTS AND GAMES

The department got a substantive sports officer whose responsibility is to engage the trainees in games and sports and develop the talents for health, fitness and competition.

Updates

During FY 2019/2020, the Department undertook the following activities:

- Participated in the KATTI Nairobi region athletics championships with 14 participants

Strategic issues

In the FY 2019/2020, the department focused on the following issues:

- Preparation of the volleyball grounds within the college
- Procured and maintained standardized sports equipment and kits for College teams.
- Established close linkages with KATTI for involvement of both Tutors and trainees in future events.
- Communicated the departmental activities within the College and the outside world through the College website and other channels.

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- Organized matches between trainees and tutors
- Increased the number of students participants in Sports and Games.

Achievements

In the year FY 2019/2020:

- Qualification for participation at the National level for 200m men's race

Challenges

- Lack of adequate office space.
- Inadequate allocations of financial resources to run students' sport fixtures, buy equipment and kits, develop, maintain and or repair sport facilities.
- The ratio of existing technical staff overstretched for the required services
- Lack of adequate support staff at both college.
- Inadequate sport facilities and equipment to cater for the ever increasing student population.
- Lack of a College gymnasium facility for both students and staff.

Future Projections/Way Forward

- Request and follow-up approval of more technical staff.
- Continual follow- ups with the College Management on the sports programs

X. HEALTH SERVICES

With the outbreak of Covid-19, there is even more urgent need to have a health unit within our college providing quality healthcare of international standards to the College community.

In our strategic plan 2020-2023 we have planned to build, equip and staff a sanatorium that will cater for this need.

XI. ACADEMICS

Technical & Applied Sciences Department (Technical Department)

The Technical Department has courses in Artisan, Certificate and diploma level spread out in various courses. The training programmes are regularly reviewed to incorporate emerging scientific and technological developments. Notable among such rapid changes relate to knowledge in the areas of information technology, climate change and environmental quality. The programmes have a strong practical component, which places emphasis on participation in carrying out outreach activities aimed not only in increasing competence, but also in integrated natural resources management and environmental protection.

Courses offered

In the FY 2019/2020, the Faculty offered 11 courses at artisan, certificate and diploma.

| # | COURSE | Enrolled |
|---|-------------------------------|----------|
| 1 | Tailoring and dress Making | 5 |
| 2 | Masonry | 3 |
| 3 | Building Technology | 1 |
| 4 | Mechanical Engineering | 6 |
| 5 | Electrical Installation | 34 |
| 6 | Hairdressing & Beauty Therapy | 16 |
| 7 | welding & Fabrication | 22 |

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| | | |
|----|-----------------------------|------------|
| 8 | Plumbing | 31 |
| 9 | General Agriculture | 41 |
| 10 | Land Survey | 22 |
| 11 | Entrepreneurial Agriculture | 6 |
| | TOTAL | 187 |

Staff

In FY 2019/2020, the department had the following staff complement: Trainers 21

Activities

1. Food Security programme partnership with ENSDA. Since the high water tank was installed in the College by ENSDA, we have prepared farm land on which a variety of fast maturing crops have been planted. It is the intention of the college to create a policy to develop this initiative for training and revenue generation for the college.

Humanities & Business Studies Department (Business Dept.)

The Business Department has courses in Artisan, Certificate and diploma level spread out in various courses. The training programmes are regularly reviewed to incorporate emerging trends and technological advancements. The programmes have a strong theoretical component, which places emphasis on participation in carrying out research and outreach activities aimed not only in increasing competence, but also in integrated natural resources management and environmental protection.

Courses offered

In the FY 2019/2020, the Faculty offered 9 programmes with students enrolled for them as follows:

| # | Course | Enrolled |
|---|---------------------------------------|-----------|
| 1 | Store Keeping | 3 |
| 2 | Social work and Community Development | 14 |
| 3 | Banking & Finance | 3 |
| 4 | Accounting | 2 |
| 5 | Supply Chain Management | 5 |
| 6 | Human Resource Management | 6 |
| 7 | secretarial Studies | 6 |
| 8 | Cooperative Management | 1 |
| 9 | ICT | 29 |
| | TOTAL | 69 |

Staff

In FY 2019/2020, the business department had the following staff complement: Trainers 9

Activities

1. Website development and maintenance by the ICT department.

Special Programmes

These are courses that are not our mainstream of courses but are demanded by trainees and some are incidental and complementary to our main courses and therefore we offer them as a package singly to those who would want to pursue them so.

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| # | Course | Enrolled |
|---|-------------------|-----------|
| 1 | ECDE | 13 |
| 2 | Computer Packages | 10 |
| 3 | Driving School | 8 |
| | Total | 31 |

The college entered into a Partnership agreement with Style-up driving school to give our trainees a preferential rate in accessing the driving school course. The other courses are trained by our in-house trainers who have necessary competences to teach the course.

Dr Lumumba Achieng'
Principal/ Secretary BoG

6. REVIEW OF KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE 'S PERFORMANCE FOR FY 2019/2020

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

The *College* begun to develop its first strategic plan from inception in the FY 2019/2020. This plan was reached at on assessment of our activities and deliberations. The College identified the following four pillars as the basis of our Strategic Plan for the FY 2020/2021- 2022/2023 which we have been working on from inception. These strategic pillars are as follows:

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

The *College* develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2019/2020 period for its four strategic pillars, as indicated in the diagram below:

| Strategic Pillar | Objective | Key Performance Indicators | Activities | Achievements |
|---|---|--|---|---|
| Vocational Education and Technical Training | Provide skilled and globally competitive employable human resource. | Graduates and course completion | Training, preparation for examinations, examination supervision | In September 2019 we had 21 candidates sitting for examinations at various levels. We had 1 failure and three referrals |
| Student Welfare Programmes | Caring for the students' wellbeing and success | Provision of accommodation, meals, career services, guidance | Provision boarding facilities & meals provision, career | Boarding provided for 125 trainees, meals provided on Pay-as-you-eat |

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| Strategic Pillar | Objective | Key Performance Indicators | Activities | Achievements |
|--|---|--|---|--|
| | | & counselling and chaplaincy services for trainees | fairs, G&C and chaplaincy | basis, G&C officer and a chaplain in the college |
| Institutional Growth and Effectiveness | policy formulation and strategy development | Budgets, reports, strategic plan, performance contract | Execution of budgets, preparation, approval and submission of reports, execution of strategic plans and performance contract | 82% |
| Inclusion and Equity | inclusive & Equitable opportunities for trainees, trainers and non-training staff | The college shall adhere to the principles of equal opportunity for all through gender equity, disability-mainstreaming and affirmative action. In staff appointments and duties | 1. Continuously conduct gender audits. 2. Develop and implement affirmative action policies. | Not more than 2/3 gender rule adhered to in all college committees |
| | | The college shall not discriminate directly or indirectly against any person on grounds of race, sex, pregnancy, marital status, health status, ethnic or social origin, color, age, disability, religion, conscience, belief, culture, dress, language or birth for trainees and other stakeholders | 1. Ensure gender balance is represented across the curriculum for enrolment and scholarship opportunities. 2. Education to raise gender awareness to prepare students for various careers 3. Carry out sensitization programs | 1. No case of discrimination reported to college administration during the just ended financial year. 2. Sensitization workshop on procurement opportunities carried out 3. Cultural day held where trainees and trainers interacted |

7. CORPORATE GOVERNANCE STATEMENT

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The first substantive board was appointed by the CS Education Amina Mohammed and inaugurated on the 25th of January 2019, consisting of the members listed from page *vii* to *x*.

Board meetings held and the attendance to those meetings by members,

In the financial year 2019/2020 we have had a total of ten BoG meetings which were called by the BoG Secretary and had quorum as follows:

- 4 Finance committee meetings
- 1 Academic committee meeting
- 1 Audit committee meeting
- 4 full BoG meetings.

Succession plan,

All board members have been appointed for 3 years renewable once. The College Managers did the appointment of officers in various levels in readiness of succession in duties.

Board charter

Our Board charter is as set out on page *xi* to page *xvi*

Process of appointment and removal of council members,

Members to the board are recruited and removed in accordance to the TVET Act 2013 and appointed by the Cabinet Secretary for Education.

Roles and functions of the Board,

The role and functions of the BoG are well stipulated in the TVET Act 2013

Induction and training,

We managed to undertake successful induction and training of our board members in April 2019.

Board and member performance,

All full board and committee meetings called for achieved quorum. The performance contract for the financial year 2019/2020 was assessed and achieved 82% of its achievement under the guidance of the board.

Conflict of interest,

No member has declared a conflict of interest in the financial year 2019/2020.

Board remuneration,

The BoG members receive a sitting allowance on attendance of meetings and are facilitated where the business of the college requires their presence and/or input.

Ethics and conduct

Our BoG members have received training on ethics and conduct during the induction training and have adhered to the principles learnt. No BoG member has been cited for unbecoming behaviour. The college adheres to the chapter 12 of the Kenyan constitution and relevant government policies and statutes.

Governance audit

Although the college subscribe to good governance policy, we are yet to undergo such audit.

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8. MANAGEMENT DISCUSSION AND ANALYSIS

KWTVC's operational and financial performance

Below is a summary of our financial performance:

All figures are in Kenya Shillings.

| | 2019/2020 | 2018/2019 | 2017/2018 |
|--------------------------|---------------------|--------------------|------------------|
| Income | 24,109,865 | 12,365,420 | 1,946,199 |
| Expenditure | 40,741,335 | 15,148,566 | 869,964 |
| Surplus/(Deficit) | (16,631,470) | (2,783,147) | 1,076,235 |

Key projects and investment decisions KWTVC is planning/implementing

Ewuaso Nyiro South Development Authority (ENSDA)

A 100,000 litre capacity high water tank has been fit in the college compound and connected to the SGR water supply pipeline. We have been using this water for our consumption and for the training farms in the college. In the coming financial year we plan to expand the usage of the said water and increase the number of water storage tanks to be used in case of a shortage from the main line.

Lang'ata Technical & Vocational College

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 contractor applied for a variation of the contract sum due to additional works carried out in the foundation stage of KES 10,091,837. The contractor also asked for an extension of the contract period to enable them carry out the works to completion. Lang'ata CDF paid KES 10,000,000 towards this project which we have used to pay a 1st certificate of 10,364,000 less retention.

The works currently stand at 35% complete.

We are yet to receive funds from treasury towards the payment of the works for Certificate No. 2 of KES 12,198,863.96.

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. Where we are unable to maintain and enhance growth in courses, trainers, student welfare and reputation, particularly in Kajiado West Constituency which is our main catchment area, or if events occur that damage our reputation such as riots and strikes, our ability to expand and attract new students and partners may be impaired.

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iii. The success of our college is dependent upon our ability to attract and retain key personnel, including trainers and technicians.

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.

vi. Capitation grants cannot be relied upon as a source of income.

vii. Our college depends to a large extent on the government and the uncertainties that come with its disbursement priorities. Our experience has been that disbursements are mostly received late. Case in point the quarter 2 & 3 capitation grants were received towards the end of quarter 4, and quarter 4 capitation grant was received after the end of the financial year. The amounts received were way below the expectation of the college by a huge margin. This hampers operations greatly.

viii. We are exposed to credit related losses in the event of non-performance by Ministry of Education, trainees and other paying stakeholders.

ix. The substantial majority of our revenue is derived from a limited number of sources. During the year ended 30 June 2020, those sources that represented greater than 10% of our total revenue were:

- a. Trainee fees collection: 30.88% of our total revenue
- b. Grant Capitation: 11.48% of our total revenue
- c. Lang'ata TVC: 44.00% of our total revenue
- d. Production units: 13.64% of our total revenue

There is need to diversify and increase our revenue sources to cushion our operations.

x. 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.

xi. 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.

xii. 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.

xiii. Our digital media strategy is unproven and may not generate the student numbers and hence the revenue we anticipate.

xiv. Inability to take up insurance policies could expose us to significant losses.

xv. We are subject to governmental regulation and other legal obligations related to

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privacy, data protection, data security and safeguarding. Our actual or perceived failure to comply with such obligations could harm our college.

xvi. Session interruptions due to pandemics, natural disasters, terrorist incidents and other events could adversely affect us.

xvii. If we fail to properly manage our anticipated growth, our College could fall into disrepute and suffer.

xviii. An economic downturn and adverse economic conditions may harm our business.

Material arrears in financial obligations

The pending bills at the close of the financial year stood at KES 2,389,068.00. All this incurred to make the college more hospitable for learners as we pursue our mandate.

KWTVC's compliance with statutory requirements

The college is endeavoring 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 entity'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.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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

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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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10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the *College's* affairs.

Principal activities

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

Results

The results of the entity for the year ended June 30, 2020 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 *x*. During the year the governor's representative Rev, Samuel Saiyori and Mz Marlene Abongo were appointed with effect from January 2020.

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.

11. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of 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, 2020, 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, 2022 and signed on its behalf by:



Olivia Odongo
County Director TVET

Winnie Riungu
Chairperson Finance &
Infrastructure Committee

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12. REPORT OF THE INDEPENDENT AUDITORS ON THE KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KAJIADO WEST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

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 25, which comprise of the statement of financial position as at 30 June, 2020, 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, 2020, 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 receivables from exchange transactions comparative balance of Kshs.7,447,495 while the prior year financial statements reflects a balance of Kshs.8,482,495.
- (ii) Included in the statement of financial performance is depreciation and amortization expenditure of Kshs.8,363,817 which was not explained or supported and whose basis is not disclosed in the financial statements.
- (iii) The statement of financial position reflects total capital and reserves balance of Kshs.111,519,316 while the statement of changes in net assets reflects a balance of Kshs.110,494,316.

- (iv) The statement of cash flows reflects cash and cash equivalents balance of Kshs.15,623,503 as at 30 June, 2020 while the statement of financial position reflects cash and cash equivalents balance of Kshs.11,592,338.
- (v) The statement of comparison of budget and actual amounts reflects actual on comparable basis amounts of Kshs.2,659,947 and Kshs.5,450,527 in respect of compensation of employees and use of goods and services while the statement of financial performance reflects Kshs.2,688,981 and Kshs.4,604,165 respectively.

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

2. Unsupported Balances

2.1 Trade and Other Payables

The statement of financial position reflects current liabilities balance of Kshs.18,903,638 which as disclosed in Notes 17, 20 and 21 includes students' deposits (caution money and student welfare) and fees paid in advance totaling to Kshs.253,215 and Kshs.3,191,920 respectively and whose detailed analysis of what the amounts represent were not provided for audit.

In the circumstances, the accuracy and completeness of Kshs.3,445,135 included in trade and other payables could not be confirmed.

2.2 Unsupported Revenue from Exchange Transactions

The statement of financial position and as reflected in Note 7 and Note 8 to the financial statements reflects rendering services and other income amounts of Kshs.5,415,660 and Kshs.4,796,845 respectively whose analysis and supporting schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the revenue from exchange transactions amount of Kshs.10,212,505 could not be confirmed.

2.3 Unsupported Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.2,688,981 as disclosed in Note 10 to the financial statements. However, schedules in support of the expenditure were not provided for audit.

Consequently, it was not possible to confirm the accuracy and completeness of the employee's costs of Kshs.2,688,981.

3. Unvalued Non-Current Assets

The statement of financial position reflects a balance of Kshs.113,562,762 in respect of property, plant and equipment which as disclosed in Note 16 to the financial statements includes land valued at Kshs.18,010,000 and which was donated by Olosho-ibor Primary

School located at Kajiado West. However, the donating Institution had not transferred the title documents to the college.

Further, and as reported in the previous year, the amount of property, plant and equipment includes a donation of 20 computers, furniture and fittings and plant and equipment from the mentor Institution valued at Kshs.4,000,000, Kshs.2,000,000 and Kshs.50,000,000 respectively and whose basis of valuation and their depreciation rates were not disclosed or provided for audit.

In the circumstances, the value of the property, plant and equipment of Kshs.113,562,761 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 final expenditure budget and actual on a comparable basis of Kshs.161,377,880 and Kshs.32,538,292 respectively resulting in budget under-utilization of Kshs.128,839,588 or 80% of the budgeted amount. Further, the statement reflects actual receipts of Kshs.22,822,505 against a final budgeted revenue of Kshs.161,377,880 resulting in an under realization of Kshs.75,184,221 or 86% of the budget.

In the circumstances, the College did not implement planned and approved projects in accordance with the approved programs thereby affecting the delivery of its services.

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. Irregular Engagement of Security Services

As reported in the previous year, the College engaged the services of a security services provider using a contract of the mentor Institution. During a meeting by the Board of Governors held on 19 July, 2018 through min/5/07/EBOG/018 item 3(i) the Board agreed that the agreement between the College and the Security Company should be valid till December, 2018. However, the College continued to engage the services of the firm past the recommended time contrary to Article 227(1) of the Constitution of Kenya, 2010, which requires a public entity contracting for goods and services to do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

Further, the College renewed a non-existent contract for a period of one year beginning 1 July, 2019 to 30 June, 2020. It could not be confirmed how and why the College would renew a contract that was non-existent. In addition, there were no approval minutes for the renewal of security services contract presented for audit.

The College maybe exposed to misuse of public money through irregular award of contracts.

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

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 to 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 is 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.

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 overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Internal Audit Committee

Review of the records revealed that the College 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.

The College has a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance and effectiveness of the financial and non-financial performance management systems.

The lack of internal audit function and internal audit committee may interfere with good governance within the College.

2. Lack of a Disaster Recovery Plan

During the year under review, the College did not have a disaster recovery plan 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 circumstances, the College may not resume operations in a timely manner in case of interruptions from fire, power surge, unrests and the like.

3. Information Communication Technology (ICT) Environment

Review of the College Information Technology (IT) environment revealed that the IT department was understaffed with no formally approved IT 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 an IT System. The College also lacked a comprehensive IT inventory which includes an asset management system for consolidating assets within the institution and managing assets acquisition and disposals, an integrated human resource management system for integrating all human resource functions within the institution 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 Information Technology (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.

4. Lack of a Risk Management Policy

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

Under the circumstances, the failure to develop a risk management policy means that the College does not have a framework for management of risk and hence it is not possible to identify, 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and 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 governance.

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

28 July, 2022

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE
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FOR THE YEAR ENDED 30th JUNE 2020

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

| | Notes | 2019/2020 | 2018/2019 |
|--|-------|--------------------|---------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from the National Government | 6 | 2,610,000 | 5,058,199 |
| Total Revenue from non-exchange transactions | | 2,610,000 | 5,058,199 |
| Revenue from exchange transactions | | | |
| Rendering of services- Fees from students | 7 | 5,415,660 | 3,698,800 |
| Other income | 8 | 4,796,845 | 4,869,260 |
| Revenue from exchange transactions | | 10,212,505 | 8,568,060 |
| Total revenue | | 12,822,505 | 13,626,259 |
| Expenses | | | |
| Use of goods and services | 9 | 4,604,165 | 3,863,897 |
| Employee costs | 10 | 2,688,981 | 3,576,302 |
| Remuneration of governors | 11 | 1,522,748 | 795,100 |
| Depreciation and amortization expense | 12 | 8,363,817 | 31,635,694 |
| Total expenses | | 17,179,711 | 39,870,993 |
| Net Surplus for the year | | (4,357,206) | (26,244,734) |
| Attributable to: | | | |
| Surplus/(deficit) attributable to minority interest | | | |
| Surplus/(deficit) attributable to owners of the controlling entity | | (4,357,206) | (26,244,734) |

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

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE
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FOR THE YEAR ENDED 30th JUNE 2020

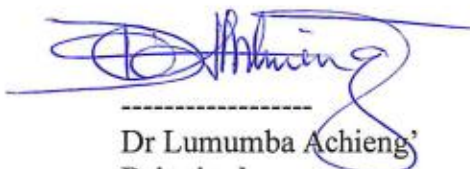
14. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2020

| | Notes | 2019/2020 | 2018/2019 |
|---|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 13 | 11,592,338 | 2,990,269 |
| Receivables from exchange transactions | 14 | 4,397,855 | 7,447,495 |
| Receivables from non-exchange transactions | 15 | 870,000 | 1,035,000 |
| Total Current Assets | | 16,860,193 | 11,472,764 |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 113,562,761 | 96,731,242 |
| Total Non-current Assets | | 113,562,761 | 96,731,242 |
| Total assets | | 130,422,954 | 108,204,006 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 16 | 14,858,503 | 2,311,903 |
| Current portion of borrowings | 18 | 600,000 | 933,600 |
| Student fees paid in advance | 17 | 3,191,920 | 130,950 |
| Caution money | 21 | 151,000 | - |
| Student welfare | 20 | 102,215 | - |
| Total Current Liabilities | | 18,903,638 | 3,376,453 |
| Total liabilities | | 18,903,638 | 3,376,453 |
| Capital and Reserves | | | |
| Reserves | | - | - |
| Accumulated surplus | | (30,601,940) | (26,244,734) |
| Capital Fund | | 142,121,256 | 131,072,286 |
| Total Capital and Reserves | | 111,519,316 | 104,827,553 |
| Total Liabilities and Capital & Reserves | | 130,422,955 | 108,204,006 |

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

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

| | Retained earnings | Capital/ Development Grants/Fund | Total |
|--|-------------------|--|--------------|
| Balance as at 1st February 2018 | - | 129,072,286 | 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/amortisation from capital fund to retained earnings | | | - |
| Balance c/d as at June 30, 2019 | (26,244,734) | 131,072,286 | 104,827,553 |
| Balance as at 1st July 2019 | (26,244,734) | 131,072,286 | 104,827,553 |
| 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/amortisation from capital fund to retained earnings | | | - |
| Balance c/d as at June 30, 2020 | (30,601,940) | 141,096,256 | 110,494,316 |

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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

| | | 2019/2020 | 2018/2019 |
|--|---------|------------------------|------------------------|
| | Note | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other Government entities/Govt. grants | 6 | 2,610,000.00 | 5,058,199.00 |
| Rendering of services- Fees from students | 7 | 5,415,660.00 | 3,698,800.00 |
| Other income | 8 | 4,796,845.00 | 4,869,260.00 |
| Prepaid fees | 17 | 3,191,920.00 | 130,950.00 |
| Caution money | 21 | 151,000.00 | - |
| Student union fees | 20 | 102,215.00 | - |
| Total Receipts | | 16,267,640.00 | 13,757,209.00 |
| Payments | | | |
| Compensation of employees | 10 | 2,688,981.00 | 3,576,302.00 |
| Use of goods and services | 9 | 4,604,165.00 | 3,863,897.00 |
| Remuneration of governors | 11 | 1,522,748.00 | 795,100.00 |
| Total Payments | | 8,815,894.00 | 8,235,299.00 |
| Net cash flows from operating activities | | 7,451,746.00 | 5,521,910.00 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment and intangible assets | 12 | 25,195,337.00 | 128,366,935.00 |
| Increase in investments | 12 | - | - |
| Net cash flows used in investing activities | | - 25,195,337.00 | -128,366,935.00 |
| Cash flows from financing activities | | | |
| Borrowings | 18 | 600,000.00 | 933,600.00 |
| Equity | | 10,000,000.00 | 132,107,286.00 |
| (Increase) / decrease in debtors | 14 | 4,249,640.00 | 7,447,495.00 |
| Increase / (decrease) in creditors | 15 & 16 | 15,527,185.00 | 2,311,903.00 |
| Net cash flows used in financing activities | | 30,376,825.00 | 127,001,244.00 |
| Net increase/(decrease) in cash and cash equivalents | | 12,633,234.00 | 4,156,219.00 |
| Cash and cash equivalents at 1 July 2019 | | 2,990,269.00 | - |
| Cash and cash equivalents at 30 June 2020 | 14 | 15,623,503.00 | 4,156,219.00 |

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

| | | Original budget 2019-2020 | Final budget 2019-2020 | Actual on comparable basis 2019-2020 | Performance difference 2019-2020 | % of budget achieved |
|----|---|---------------------------------|------------------------------|--|--|-------------------------|
| | Revenue | Kshs | Kshs | Kshs | Kshs | |
| 1 | Capitation grants | 7,320,000 | 7,320,000 | 2,610,000 | 4,710,000 | 35.66% |
| 2 | Grants in Aid | 2,000,000 | 2,000,000 | | 2,000,000 | 0.00% |
| 3 | Rendering of services- Fees from students | 6,446,480 | 6,446,480 | 5,415,660 | 1,030,820 | 84.01% |
| 4 | Other Income | 6,611,400 | 6,611,400 | 4,796,845 | 1,814,555 | 72.55% |
| 5 | Proposed GoK development projects | 79,000,000 | 79,000,000 | | 79,000,000 | 0.00% |
| 6 | Lang'ata TVC mentorship | 60,000,000 | 60,000,000 | 10,000,000 | 50,000,000 | 16.67% |
| | Total income | 161,377,880 | 161,377,880 | 22,822,505 | 138,555,375 | 14.14% |
| | Expenses | | | | | |
| 7 | Compensation of employees | 3,954,800 | 3,954,800 | 2,659,947 | 1,294,853 | 67.26% |
| 8 | Use of Goods and services | 16,893,990 | 16,893,990 | 5,450,527 | 11,443,463 | 32.26% |
| 9 | Proposed GoK development projects | 79,000,000 | 79,000,000 | | 79,000,000 | 0.00% |
| 10 | Lang'ata TVC mentorship | 60,000,000 | 60,000,000 | 22,905,070 | 37,094,930 | 38.18% |
| 11 | Management expenses | 1,529,090 | 1,529,090 | 1,522,748 | 6,342 | 99.59% |
| | Total expenditure | 161,377,880 | 161,377,880 | 32,538,292 | 128,839,588 | 20.16% |
| | Surplus for the period | - | - | (9,715,787) | 9,715,787 | |

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Budget Vs Actual comparison notes

| | | % of budget achieved | Variance Explanation | |
|----|---|----------------------|---|--|
| | Revenue | | | |
| 1 | Capitation grants | | 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 | 35.66% | 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- Fees from students | 0.00% | The budget was missed as we did not meet our recruitment budget. | |
| 4 | Other Income | 84.01% | We were on course to meet the targets but were interrupted by the Covid-19 pandemic which suspended operations. | |
| 5 | Proposed GoK development projects | 72.55% | Proposals made to MoE to enable the college undertake development projects were not realized. | |
| 6 | Lang'ata TVC mentorship | 0.00% | 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. | |
| | Total income | 16.67% | | |
| | Expenses | 14.14% | | |
| 7 | Compensation of employees | | The College was not able to recruit for all positions projected and compensate appropriately due to lack of enough funds. | |
| 8 | Use of Goods and services | 67.26% | 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. | |
| 9 | Proposed GoK development projects | 32.26% | Proposals made to MoE to enable the college undertake development projects were not realized. | |
| 10 | Lang'ata TVC mentorship | 0.00% | 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. | |
| 11 | Management expenses | 38.18% | | |
| | Total expenditure | 99.59% | | |
| | Surplus for the period | 20.16% | | |

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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 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 2020

| Standard | Impact |
|---|---|
| IPSAS 40: Public Sector Combinations | Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. |

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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

| Standard | Effective date and impact: |
|---|---|
| IPSAS 41: Financial Instruments | Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. |
| IPSAS 42: Social Benefits | Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. |

KAJIADO WEST TECHNICAL & VOCATIONAL COLLEGE
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| Standard | Effective date and impact: |
|--|---|
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | Applicable: 1st January 2022: <ol style="list-style-type: none"> Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. |
| Other Improvements to IPSAS | Applicable: 1st January 2021: <ol style="list-style-type: none"> 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 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 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. 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. |

iii. Early adoption of standards

The College did not early – adopt any new or amended standards in year 2020.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Other Income

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board on 11th April 2019.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the function 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.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 10 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.

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

e) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

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

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- 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

i) Inventories

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

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The Entity creates and maintains reserves in terms of specific requirements. The College has Retained Earnings as a reserve and the purpose of this is to clear any outstanding debts accrued in the financial year prior once income is realized.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into the 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.

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

n) Related parties

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

o) Service concession arrangements

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

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,

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cash and cash equivalents also include short term cash imprests and advances to authorised 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

The College received KES 870,000 on the 3rd of July and a forwarding letter notifying the source of funds to be 4th quarter grant capitation. This has been included in our statement of financial performance as such and shown as a debtor in the statement of financial position as at 30th June 2020.

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 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 20.

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6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|------------------|
| | KShs | KShs |
| Unconditional grants | | |
| Operational grant | - | 2,000,000 |
| Capitation | 2,610,000 | 2,070,000 |
| | | |
| Total government grants and subsidies | 10,610,000 | 4,070,000 |

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

| Name of the Entity sending the grant | Amount recognized to Statement of Comprehensive Income KShs | Amount deferred under deferred income KShs | Amount recognised in capital fund. KShs | Total grant income during the year KShs | 2018-2019 KShs |
|--|---|--|---|---|------------------|
| Ministry of Education, State Department of Technical & Vocational Education & Training | 2,610,000 | | | 2,610,000 | 4,070,000 |
| NG-CDF Lang'ata Constituency | | | 10,000,000 | 10,000,000 | |
| Total | 12,610,000 | | | 12,610,000 | 4,070,000 |

7 RENDERING OF SERVICES

| Description | 2019-2020 | 2018-2019 |
|---|------------------|------------------|
| | KShs | KShs |
| Tuition fees | 2,179,280 | 1,005,200 |
| Activity fees | 509,200 | 469,000 |
| Personnel Emoluments | 1,074,900 | 700,000 |
| Electricity water & conservancy | 495,520 | 456,400 |
| Local travel & transport | 453,720 | 417,900 |
| Repairs, maintenance and improvement | 250,040 | 230,300 |
| Attachment fees | 453,000 | 420,000 |
| Total revenue from Rendering of Services | 5,415,660 | 3,698,800 |

This is the main stream revenue source of the College. The breakdown is from the vote heads for which funds are collected for students.

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8 OTHER INCOME

| Description | 2019-2020 | 2018-2019 |
|---------------------------|------------------|------------------|
| | KShs | KShs |
| Examination fees | 1,663,270 | 134,690 |
| Student ID | 37,000 | 500 |
| Admission processing | 2,300 | 48,410 |
| Procurement fees | 59,000 | 111,600 |
| Cafeteria sales | 2,277,415 | 3,351,560 |
| Boarding fee | 562,500 | 1,066,500 |
| Special programmes | 195,360 | 156,000 |
| Total other income | 4,796,845 | 4,869,260 |

The above are income sources supplementary to our mainstream income.

9 USE OF GOODS AND SERVICES

| Description | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | KShs | KShs |
| Tuition & curriculum costs | 1,294,599 | 2,039,722 |
| Activity and sports costs | 392,535 | 53,850 |
| Examination costs | 190,708 | 125,210 |
| Electricity water & conservancy costs | 520,130 | 204,338 |
| KUUCPS Costs | 36,000 | 73,500 |
| Repairs, maintenance and improvement costs | 68,760 | 99,976 |
| Medical costs | 10,960 | 7,945 |
| Production unit costs | 2,018,373 | 994,799 |
| Procurement costs | 72,100 | 264,557 |
| Total good and services | 4,604,165 | 3,863,897 |

10 EMPLOYEE COSTS

| | 2019-2020 | 2018-2019 |
|-----------------------|------------------|------------------|
| | KShs | KShs |
| Salaries and wages | 2,688,981 | 3,576,302 |
| Employee costs | 2,688,981 | 3,576,302 |

11 MANAGEMENT EXPENSES

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|------------------|----------------|
| | KShs | KShs |
| Management expenses | 1,522,748 | 795,100 |
| Total Management expenses | 1,522,748 | 795,100 |

12 DEPRECIATION AND AMORTIZATION EXPENSE

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| Description | 2019-2020 | 2018-2019 |
|--|------------------|-------------------|
| | KShs | KShs |
| Property, plant and equipment | 8,363,817 | 31,635,694 |
| Total depreciation and amortization | 8,363,817 | 31,635,694 |

13 CASH AND CASH EQUIVALENTS

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|------------------|
| | KShs | KShs |
| Current account | 11,546,610 | 3,028,278 |
| Cash | 45,728 | (38,009) |
| Total cash and cash equivalents | 11,592,338 | 2,990,269 |

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

| Financial institution | Account number | 2019-2020 | 2018-2019 |
|---------------------------|----------------|-------------------|------------------|
| | | KShs | KShs |
| a) Current account | | | |
| Co-operative Bank | 01139543968000 | 10,186,965 | 1,016,307 |
| Co-operative Bank | 01139543968001 | 50,253 | 10,970 |
| Co-operative Bank | 01139543968002 | 1,206,837 | |
| Co-operative Bank | | 289 | 199 |
| Sub- total | | 10,801,423 | 1,027,476 |
| b) Current account | | | |
| Equity Bank | | 102,555 | 2,001,000 |
| Sub- total | | 102,555 | 2,001,000 |
| c) Others(specify) | | | |
| Cash in transit | | | |
| cash in hand | | 208,631 | 1,450 |
| M pesa | | | |
| Sub- total | | 208,631 | 1,450 |
| Grand total | | 11,112,609 | 3,029,926 |

14 RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a)

| Description | 2019-2020 | 2018-2019 |
|----------------------------------|------------------|------------------|
| | KShs | KShs |
| Current receivables | | |
| Student debtors | 4,397,855 | 8,482,495 |
| Total current receivables | 4,397,855 | 8,482,495 |

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| Description | 2019-2020 | 2018-2019 |
|----------------------------------|----------------|------------------|
| | KShs | KShs |
| Current receivables | | |
| Ministry of Education | 870,000 | 1,035,000 |
| Total current receivables | 870,000 | 1,035,000 |

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16 PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Furniture and fittings | Computers | Plant and equipment | Capital Work in progress | Total |
|-------------------------------|------------|------------|------------------------|-----------|---------------------|--------------------------|-------------|
| Cost | Shs | Shs | Shs | Shs | Shs | Shs | Shs |
| At 1 February 2018 | 18,000,000 | 54,165,335 | 2,000,000 | 4,000,000 | 50,000,000 | | 128,165,335 |
| Additions | 10,000 | | 191,600 | | | | 201,600 |
| Disposals | | | | | | | - |
| Transfer/adjustments | | | | | | | - |
| At 30 th June 2019 | 18,010,000 | 54,165,335 | 2,191,600 | 4,000,000 | 50,000,000 | - | 128,366,935 |
| Additions | | | 359,930 | | 57,000 | 24,778,407 | 25,195,337 |
| Disposals | | | | | | | |
| Transfer/adjustments | | | | | | | |
| At 30 th June 2020 | 18,010,000 | 54,165,335 | 2,551,530 | 4,000,000 | 50,057,000 | 24,778,407 | 153,562,272 |
| Depreciation | | 5,416,534 | 219,160 | 1,000,000 | 25,000,000 | | 31,635,694 |
| Disposals | | | | | | | - |
| Impairment | | | | | | | - |
| Transfer/adjustment | | | | | | | - |
| At 30 th June 2019 | - | 5,416,534 | 219,160 | 1,000,000 | 25,000,000 | - | 31,635,694 |
| Depreciation | | 4,874,880 | 233,237 | 750,000 | 2,505,700 | | 8,363,817 |
| Disposals | | | | | | | |
| Impairment | | | | | | | |
| Transfer/adjustment | | | | | | | |
| At 30 th June 2020 | - | 10,291,414 | 452,397 | 1,750,000 | 27,505,700 | - | 39,999,511 |
| Net book values | | | | | | | - |
| At 30 th June 2019 | 18,010,000 | 48,748,802 | 1,972,440 | 3,000,000 | 25,000,000 | - | 96,731,242 |
| At 30 th June 2020 | 18,010,000 | 43,873,921 | 2,099,133 | 2,250,000 | 22,551,300 | 24,778,407 | 113,562,761 |

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17 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

| Description | 2019-2020 | 2018-2019 |
|---------------------------------------|-------------------|------------------|
| | KShs | KShs |
| Trade payables | 14,858,503 | 2,311,903 |
| Mentor loan | 600,000 | 933,600 |
| Total trade and other payables | 15,458,503 | 3,245,543 |

18 REFUNDABLE DEPOSITS FROM STUDENTS

| Description | 2019-2020 | 2018-2019 |
|-----------------------|----------------|-----------|
| | KShs | KShs |
| Student Union fee | 102,215 | |
| Caution money | 151,000 | |
| Total deposits | 253,215 | |

19 DEFERRED INCOME

| Description | 2019-2020 | 2018-2019 |
|------------------------------|------------------|----------------|
| | KShs | KShs |
| Fees paid in advance | 3,191,920 | 130,950 |
| Total deferred income | 3,191,920 | 130,950 |

20 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 College's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The College 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 entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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

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

| | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|----------------------------------|--------------------------------------|--------------------------|--------------------------|
| At 30 June 2019 | | | | |
| Receivables from exchange transactions | 7,233,955 | | | |
| Receivables from non-exchange transactions | | | | |
| Bank balances | 3,029,927 | | | |
| Total | | | | |
| At 30 June 2020 | | | | |
| Receivables from exchange transactions | 4,396,830 | | | |
| Receivables from non-exchange transactions | 870,000 | | | |
| Bank balances | 11,112,610 | | | |
| Total | | | | |

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

The entity has significant concentration of credit risk on amounts due from 90 days

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the College's governors, 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 entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

| | Less than 1 month Kshs | Between 1-3 months Kshs | Over 5 months Kshs | Total Kshs |
|------------------------|---------------------------------------|--|-----------------------------------|-----------------------|
| At 30 June 2019 | | | | |
| Trade payables | 404,012 | 1,211,584 | 696,306 | 2,311,902 |
| Total | 404,012 | 1,211,584 | 696,306 | 2,311,902 |
| At 30 June 2020 | | | | |

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| | | | | |
|----------------|----------------|-------------------|------------------|-------------------|
| Trade payables | 398,711 | 12,553,450 | 1,906,342 | 14,858,503 |
| Total | 398,711 | 12,553,450 | 1,906,342 | 14,858,503 |

(iii) Market risk

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

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

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

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

a) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2016: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2012 – KShs xxx)

iv) Capital Risk Management

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

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| | 2019-2020 | 2018-2019 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Revaluation reserve | | |
| Retained earnings | (18,020,925) | (2,634,912) |
| Capital reserve | 126,000,000 | 126,000,000 |
| Total funds | 107,979,074 | 123,365,087 |
| | | |
| Total borrowings | 600,000 | 933,600 |
| Less: cash and bank balances | 11,112,610 | 3,029,927 |
| Net debt/(excess cash and cash equivalents) | | |
| Gearing | | |

21 RELATED PARTY BALANCES

Nature of related party relationships

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. Related parties include management personnel, their associates and close family members.

Government of Kenya

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) The Treasury;
- iv) Key management;
- v) Board of governors;

| | 2019-2020 | 2018-2019 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| | | |
| a) Grants from the Government | | |
| Grants from National Govt | 2,610,000 | 3,035,000 |
| Total | 2,610,000 | 3,035,000 |
| | | |
| b) Expenses incurred on behalf of related party | | |
| Mentorship of proposed Lang'ata TVC | 22,888,291 | |
| Total | 22,888,294 | |
| | | |
| c) Key management compensation | | |
| Management expenses | 1,468,700 | 1,235,663 |
| Total | 1,468,700 | 1,235,663 |

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22 EVENTS AFTER THE REPORTING PERIOD

The Ministry of Education posted quarter four grant capitation of the just ended financial year on 3rd July 2020 and posted an acknowledgement for the said period. The transaction is shown as receivable in the Financial Statements.

23 ULTIMATE AND HOLDING ENTITY

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

24 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | 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 entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Principal

Chairman of the Board

Date.....

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

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 | | | | | | |
| 2 | | | | | | |

Status of Projects completion

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|------------------------|--------------------|------------------------|----------------------|-----------|-----------|---------------------|
| 1 | 16 door outdoor toilet | 2,000,000 | 1,898,205 | 100% | 2,000,000 | 1,898,205 | NG-CDF Kajiado West |
| 2 | | | | | | | |
| 3 | | | | | | | |

APPENDIX III: INTER-ENTITY TRANSFERS

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

Sign

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/Develop- ment/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 | 18.10.2019 | Recurrent | 180,000 | 180,000 | | | | 180,000 |
| Ministry of Education | 13.05.2020 | Recurrent | 1,560,000 | 1,560,000 | | | | 1,560,000 |
| Ministry of Education | 03.07.2020 | Recurrent | 870,000 | 870,000 | | | 870,000 | 870,000 |
| Total | | | 2,610,000 | 2,610,000 | | | 870,000 | 2,610,000 |