

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 MAR 2023

DAY:

TUESDAY

TABLED
BY:

The Leader of the
Majority Party (LOM)
Inzofu Mwale

REPORT

OF

THE AUDITOR-GENERAL

ON

**KONGONI TECHNICAL AND VOCATIONAL
COLLEGE**

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



MINISTRY OF EDUCATION

**STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
KONGONI TECHNICAL AND VOCATIONAL COLLEGE**



Along Eldoret – Kitale Road P.O. Box 45 – 30205 Matunda

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KONGONI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30 2021**

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

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021.

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kongoni technical and Vocational College was incorporated/ established under the TVET Act, 2013 Act on September 2019. The entity is domiciled in Kenya under the Ministry of Education.

(b) Principal Activities

The principal activity of the college is to offer vocational education and training at diploma level as per the TVET Act 2013. Its mission and vision statements are as follows: To provide quality technical vocational training and research in collaboration with stakeholders, to produce highly skilled and innovative human resource. To be the top rated technical and vocational college in technical training innovation and action research in Kenya and beyond, respectively

VISION

To be the top rated technical and vocational college in technical training, innovation and Action research in Kenya and beyond.

MISSION

To Provide Quality Technical and Vocational Training in Collaboration with stakeholders to produce Highly Skilled and Innovative Human resource.

MOTTO

Technology and innovation to meet societal needs.

CORE VALUES

-To undertake its mission and realize its vision, Kongoni TVC upholds the following values:-

- **Equity-** The College shall ensure fair treatment of staff, trainees and all other stakeholders without bias.
- **Integrity** – The College staff shall have common decorum reflected in their personal appearances, interactions and conducts.
- **Team work** - The College is committed to teamwork environment where every person is a valued member treated with respect, encouraged to contribute and recognized and rewarded for his or her efforts.
- **Professionalism** – The College shall provide systematic instructions, specialized skills and knowledge to produce professionals in different fields of study
- **Transparency & Accountability** – The College shall provide clarity and openness in actions and shall be obliged to explain decisions by taking responsibility for one's actions.

(c) Key Management

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

Board of Governors/ Council/ Management etc;
Accounting officer/ Principal
Management team,

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Barasa Nashon
2.	Deputy principal	Mr. Tarian Newton
3	Registrar	Mr. Juma Khisa
4	Dean of trainees	Mr. Masinde Kevin
5	HOD Engineering	Ms. Irene Atsulu
6	HOD Business	Mr. Monday Barasa
7	Head of Finance	CPA Nambo Millcent
8	Procurement Officer	Mr. Kipkore Geoffrey

(e) Fiduciary Oversight Arrangements

Full Board of Management

The full board of management is responsible to;

1. Promote the best interests of the college and ensure its development;
2. Promote quality education for all Trainees in accordance with the standards set under this Act or any other written law;
3. Ensure and assure the provision of proper and adequate physical facilities for the college;
4. Manage the college's affairs in accordance with the rules and regulations governing the occupational safety and health;
5. Facilitate and ensure the provision of guidance and counselling to all Trainees;
6. Provide for the welfare and observe the human rights and ensure safety of the Trainees, Trainers and non-trainers at the college;
7. Encourage a culture of dialogue and participatory democratic governance at the college;
8. Encourage the learners, Trainers, and non-trainers and other, parents and the community, and other stakeholders to render voluntary services to the college;
9. Allow reasonable use of the facilities of the college for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee;
10. Administer and manage the resources of the college;
11. Receive, collect and account for any funds accruing to the college;
12. Recruit, employ and remunerate such number of non-trainers as may be required by the college in accordance with this Act; and
13. Perform any other function to facilitate the implementation of its functions under this Act or any other written law.

The full BOG consists of the following 3 committees;

a. Finance, Procurement and Human Resource Committee

Perform financial, procurement and recruitment responsibilities delegated by the full board of management. Their recommendation is subject to approval by the full BOG.

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b. Education, Training, Research and Development committee.

Perform academic reviews and performance and set performance requirements in accordance to ministerial expectations. Their recommendation is subject to approval by the full BOG.

c. Audit and Risk Committee.

To audit and provide quality assurance services for the college activities and functions. Their recommendation is subject to approval by the full BOG.

I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

(g) Kongoni Technical and Vocational College

(h) P.O. Box 45 - 30205

(i) Matunda, KENYA

(j) Entity Contacts

Telephone: (+254)721927458

E-mail: Kongonitvc@gmail.com

Website: www.kongonitvc.ac.ke

(k) Entity Bankers

S.NO	Account Name	Type	Account No.	Bank	Branch
1	Kongoni TVC- Recurrent A/C	Current	1267312963	Kenya Commercial Bank	Moi'sbridge
2	Kongoni TVC- Development A/C	Current	1286112613	Kenya Commercial Bank	Moi'sbridge
3	Kongoni TVC- Examination A/C	Saving	1286110785	Kenya Commercial Bank	Moi'sbridge

(l) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(m) Principal Legal Adviser

The Attorney General

State Law Office



Harambee Avenue




P.O. Box 40112

City Square 00200



Nairobi, Kenya

II. BOARD OF MANAGEMENT


No.		Member/ Director	Details
	Insert each Council/Board of Governor's passport-size photo	Name, and key profession/academic qualifications	Provide a concise description of each member's date of birth, key qualifications, and work experience. Indicate whether the member is independent or an executive member and which committee the member chairs where applicable.
1.		Eng. Moses K Mukangula	<p>D.O.B: 1959</p> <p>Key Qualification: Bsc - Civil Engineering (University of Nairobi)</p> <p>Professional Engineer (Engineers Board of Kenya - EBK)</p> <p>Corporate Member Institution of Engineers of Kenya (IEK)</p> <p>Work Experience: Over 35 years of Engineering practice in Ministry of Public Works (1985-1996), Kenya Wildlife Service (1997-1998), Lutheran World Federation, (1999-2000), Masinde Muliro University of Science and Technology (2003-2020), Consultant Civil/Structural Engineer (2021-to date). Specialized in project conception, engineering design and construction supervision, and Project Management. He is the Chairman of the Board of Governors.</p>
2.		Mr. John Kihunyu Wakaro	<p>DOB: 1957</p> <p>KEY QUALIFICATIONS: BED (ENG. /LIT)</p> <p>INSTITUTION: Moi University.</p> <p>Work Experience: Teaching Basic Education from 1980-2007.</p> <p>Currently a Director of a Private Academy.</p> <p>In the BOG I am the Chairman of Education, Training, Research and Development Committee.</p>

3.		Eng Martin Shilungu Induli	<p>D.O.B : 1979</p> <p>KEY QUALIFICATIONS: Higher National Diploma- Electrical Engineering (Power), Diploma Electronics Engineering.</p> <p>WORK EXPERIENCE: Martin Shilungu Induli has seventeen years experience in Electrical/Instrumentation and Control Engineering in various industries, maintenance planning and coordination, supervision of projects. He is also an internal auditor for quality management system ISO 9001:2015 at Kenya Airports Authority.</p>
4.		Mrs. Bibiana Maikuma Walela	<p>D.O.B :1965</p> <p>KEY QUALIFICATIONS :BSC Agriculture, University of Nairobi MSC, Agriculture and Rural Development Kenya, Methodist University Mrs. Walela worked as an Agricultural Officer in the Ministry of Agriculture since 1979. She served in different capacities and retired as an Assistant Director of Agriculture in the year 2016. She is a member of BOG and serves on the Finance, Planning, Procurement and Human Resource</p>
5.		Mr. Nabibia Wakofula	<p>DATE OF BIRTH:1972</p> <p>KEY QUALIFICATIONS : Bachelor of Commerce (HON) University of Nairobi Postgraduate Diploma in banking (AKIB)</p> <p>WORK EXPERIENCE: Has a banking experience of 17 years (co – operative Bank1997 – 2014) Chairperson Finance Planning and Human Resource</p>

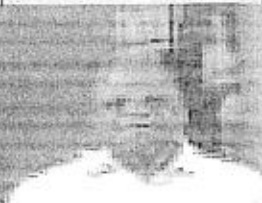



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6.		Nashon Barasa	<p>NAME; Nashon Barasa. D.O.B.1962 KEY QUALIFICATION. MED Educational planning. PGDE- EDUCATION, BSC- PHY/MATHS-KENYATTA UNIVERSITY. WORKING EXPERIENCE; Currently principal at Kongoni Technical and Vocational College Worked as a high school teacher teaching phsics/maths. Deputy principal Shamberere TTI</p>
7.		CPA Judith Shibu	<p>DATE OF BIRTH:1974 KEY QUALIFICATIONS : 2017-2021 Kibabii University MBA (Accounting Option) 2011-2012 Masinde Muliro University of Science and Technology (BBM Accounting Option) 2007-2010 CPA K and Computing and Data Processing Packages. 2005-2007 CPA Part Two 1996-1998 Kenya Technical Teachers College - Diploma in Business Education (Accounting Option) 1994-1995 Eldoret Polytechnic - CPA Part One</p> <p>WORK EXPERIENCE :2015-2020 Working in Audit Department Kibabii University as Assistant Internal Auditor 2013-2015 Working in Bukura Agricultural College as Internal Auditor 1.1999-2013 Working in Mumias Out growers Sacco Society 1998- 1999 Wetosi and CO. Associates working as an Audit assistant</p>

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8.		<p>Eng. Andrew K. Ng'eno</p>	<p>NAME: Eng. Andrew K. Ng'eno D. O. B: 4th November 1961 KEY QUALIFICATIONS; September 2002 - November 2002 Rasitic Mauritius Certificate in Cane Sugar Manufacture 1983 - 1987 University of Nairobi Bachelor of Science (Mechanical Engineering) 2016 – To Date Moi University: Msc. in Energy Studies</p>
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III. MANAGEMENT TEAM

No		Member/ Director	Details
1.		Mr. Nashon Barasa (The principal)	NAME: Nashon Barasa. D.O.B.1962 KEY QUALIFICATION. MED Educational planning. PGDE- EDUCATION, BSC- PHY/MATHS-KENYATTA UNIVERSITY. WORKING EXPERIENCE; Worked as a high school teacher teaching physics/maths. Deputy principal Shamberere TTI Currently principal at Kongoni Technical and Vocational College
2.		Mr Newton Tarian (The Deputy Principal)	NAME: Newton Tarian. D. O. B: 31 December 1976 KEY QUALIFICATIONS; B TED (Building Construction Technology) EXPERIENCE. 2021- To date kongoni TVC. Deputy principal. 2019-2021 Musaakasa TTI. 2005– 2019 Lecturer Sanga'alo institute of science & Technology.
3.		Mr Andrew Juma (The Registrar)	NAME; Andrew Juma. D. O. B: 1st January 1990 KEY QUALIFICATIONS ; 2019-to Date-kongoni TVC. 2014 – 2019 Sigalagala National polytechnic. 2013-2014 – Manager Lurale Youth
4.		Ms. Irene Atsulu (HOD Engineering)	IRENE ATSULU D.O.B;1989 KEY QUALIFICATIONS 2014-2015 SHAMBERERE TECHNICAL HIGHER NATIONAL DIPLOMA- Building and Civil Engineering 2019-date Trainer –Kongoni Technical. 2009-2011- DIPLOMA(Sigalagala Technical- Building and construction

			2013-2018- Trainer Shamberere Technical
5.		Mr. Monday Barasa (HOD Business)	D.O.B -21/02/1983 QUALIFICATION KONGONI TECHNICAL - Trainer SIGALAGALA TECHNICAL – Trainer in Business Department KISII UNIVERSITY –Program coordinator -Advising the principal on staffing of the department
6.		CPA Millicent Nambo Wanyonyi (Finance Officer)	NAME : CPA MILLICENT NAMBO D.O.B : 1991 QUALIFICATIONS. Degree (BCOM – Accounting option) -Membership, CPAK, IIA -CIA Ongoing -Preparation of Financial Statement. -Budgeting -Preparation of Financial Reports.

IV. CHAIRMAN'S STATEMENT

This year is the second year of operation at Kongoni TVC after being mentored by Shamberere TTI.

The college has seen progress in student admission whereby the population has increased from **Sixty-five** in the previous year to **Two hundred and six** this year. This is as a result of aggressive marketing that was carried out by the college in the year. The college also carried out recruitment of staff to match the increased trainees' population. Non-teaching staff population increased from **nine** to **fifteen** while the trainers increased from **fifteen** to **seventeen** trainers were sent by the Public Service Commission while the rest are Board employed.

The college offered a total of **twelve** courses with majority of the trainees taking Building Technology. The college has a plan of carrying out more marketing to ensure that the maximum capacity is utilised and since the number of female trainees in SET courses is still very low to increase female trainees in SET courses.

The College Board consists of nine members of whom one member is an executive member while the rest are non-executive members. The board has been organised into three committees namely:

- i. Audit and Risk committee
- ii. Finance and development committee
- iii. Education and Human Resource committee

The above committees have been working tirelessly with the board all throughout this year.

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Despite the above progress the college has faced some challenges which emanates from the shortage of resources to avail the college's needs.

Like last year the management faced challenges in supplying clean water to the college. This was biting especially during dry seasons. This has forced the college to collect water from the wells which its safety to the users was not guaranteed. In search of a better solution to this problem the board is still in consultation with the county government of Kakamega to drill a borehole in the college.

Although there was an increase in competent staff population the number is not yet enough to handle the available number of trainees' population. This is majorly due to lack of adequate funds to employ these staff.

Fees collection has been another challenge that the college is facing. In the year 2020-2021 the college failed to collect fees as per its expectation partly due to COVID-19 pandemic and partly due to other factors.

The college could not continue with its normal training because of the outbreak of COVID-19 pandemic and inadequacy of open and distance learning infrastructure.

Another challenge that the college faced was lack of motor vehicle to transport trainees and trainers to functions and activities. This forced the college to hire means of transport whenever there was a trainees or trainers functions.

Generally, the college is in good position to train the trainees.

 30/06/2022
ENG. MOSES K. MUKANGULA
BOARD CHAIRMAN

V. REPORT OF THE PRINCIPAL

Kongoni technical and vocational college (KTVC) is a public middle level technical college in the Ministry of Education under the State Department of Vocational and Technical Training. The college started admitting trainees for both Technical and Business courses in September 2019. A total of 63 trainees were admitted for the first time.

Kongoni Technical and Vocational college is located at about 500 metres off the Eldoret Kitale main road near Kongoni market in Likuyani Sub- County of Kakamega county

CORE MANDATE OF THE COLLEGE

- i. To teach and train in Artisan, Craft and Diploma courses examined by KNEC and other accredited Examining bodies.
- ii. To conduct research and promote innovations.
- iii. To develop and implement both curricular and co-curricular in response to the demands in the labour market.
- iv. To foster linkages with industry and other institutions for the promotion of quality and relevant training.
- v. To inculcate and promote micro enterprise activities within the college and beyond
- vi. To in-service the community in awareness in general issues like prevention of drug and alcohol abuse, to promote gender equity, to consider people living with disability in all societal issues etc.
- vii. To foster cultural and religious diversity.
- viii. To implement the Ministry of Education policy on Technical, Vocational Education and Training.

VISION

To be the top rated technical and vocational college in technical training, innovation and action research in Kenya and beyond

MISSION

To provide quality technical and vocational training in collaboration with stake holders to produce highly skilled and innovative human resource

MOTTO

Technology and innovation to meet societal needs

CORE VALUES

To realize its vision and undertake its mission, Kongoni TVC upholds the following core values.

- Equality
- Integrity
- Team work
- Professionalism
- Transparency and accountability

QUALITY POLICY

Kongoni Technical and Vocational College is committed to providing quality human resource that meets its customers expectation through technology, innovation and action research.

KEY MANAGEMENT

The key management organs of the college are

- a) Board of Governors (BOG)
- b) Accounting officer/principal
- c) Management team

FUNDING

Kongoni technical and vocational college receives funds for its operation from;

- i. The National Government in form of capitation/grants.
- ii. High Education Loan Board student tuition fees
- iii. Bursaries from NG-CDF from different constituencies student fee.
- iv. Parent/guardians who pay direct fees.
- v. Production units in the college.

ENROLMENT

Despite the many challenges the college faced at the time it started training, the enrolment has kept on growing from initial 63 trainees to the current enrolment of 263 trainees spread across the three academic departments namely engineering, ICT and Business.

TRAINERS

The number of trainers has also gone up from the initial 6 trainees to the current 17 trainees.

NON – TRAINING STAFF

Non – training staff also increased from 3 to 9 members.

CHALLENGES

Like any other upcoming college, Kongoni Technical and Vocational College has several challenges such as:

- Inadequate human resource for both training and support staff.
- Lack of proper established structures and systems.
- Inadequate funds for operations.
- Low enrollment of trainees.
- Inadequate training space.
- Lack of reliable water supply.

COVID – 19 PANDEMICS

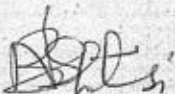
Like other training institutions in the county Kongoni Technical and Vocational College was greatly affected by the out – break of COVID-19 in the country and world at large.

The training programmes and other college activities came to a halt as a result of COVID-19 pandemic.

It was really a challenge in that the college was still in its early stages, just a few months after it started training programmes. Board meetings and other activities in the college could not take place because of the Public Health measures which were in place at the time to control the spread of the COVID-19 virus.

The college enjoys the support of the National Government, the Kakamega County and the Local community through the local leaders. The future of the college is bright and very promising.

Prepared by:



MR. NATHON BARASA
PRINCIPAL/SECRETARY BOG

30/6/22

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Kongoni Technical and Vocational College has six strategic pillars and nineteen objectives within its Strategic Plan for the FY 2020-2025. These strategic pillars are as follows:

1. To provide quality and relevant technical and vocational training
2. To build a sustainable institutional capacity
3. To establish and improve adequate infrastructural capability.
4. To acquire adequate staffing levels and establish an effective performance management system
5. To institutionalize and implement an efficient service delivery system
6. To develop and extend quality and relevant community outreach services and programs

Kongoni Technical and Vocational College develops its annual work plans based on the above six pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kongoni Technical and Vocational College achieved its performance targets set for the FY 2020/2021 period for its six strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
i. To provide quality and relevant technical and vocational training	i. To initiate market- driven and relevant trainings ii. To develop an internal quality assurance system iii. To develop partnership programmes To provide adequate training materials	i. List of new programmes mounted ii. No of staff trained iii. No of new technologies used iv. No of equipment and facilities acquired v. Available internal quality assurance system vi. Available partnership contracts. vii. Available training materials	i. Mounting of new programmes ii. Signing of memorandum of understanding. iii. Procurement of training materials, equipment and facilities iv. Development of internal quality assurance system Development of internal control system.	i. Four additional programmes mounted ii. Blended online / in person learning and training iii. Reports of assessment and evaluation availed Four renovated class rooms.
i. To build a sustainable institutional capacity	i. Develop strategic and operational plans ii. Diversify sources of income and funding	i. Availability of strategic and operational plans ii. Number of diversified income funding iii. Available study work	i. procurement process for new equipment and infrastructure i. Budgetary/ procurement process put in place.	i. Workshops and laboratories equipped ii. Two hostels build iii. Electrical and mechanical engineering workshops equipped

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	iii. Development and implement study work environment policy.	environment policy	i. Construction of facilities and infrastructure	
ii. To establish and improve adequate infrastructural capability. To acquire adequate staffing levels and establish an effective performance management system	i. Develop and implement infrastructural development plan ii. Acquire modern and relevant training equipment	i. Available infrastructural development plan. Number of modern relevant training equipment.	i. Development of infrastructural development plan. Procurement of modern relevant training equipment	i. new board capacity built ii. staff and trainees sensitized iii. two conferences held iv. no exhibitions held due to COVID-19 situation v. number of meetings held NG-CDG, county bursaries, and other bursaries schemes secured.
iii.	iii. and implement Establish an effective performance management system	i. Available staff development policy ii. Recruitment in an open and transparent manner iii. Advertised and recruit for position ii. Conduct needs assessment and training	i. Draft a staff recruitment policy and appraisal tool ii. Recruit according to establishment adhering to openness and transparency ii.	(n) Availability of staff hiring tool and development policy Advertisement and recruitment for different positions
i. Number of public forums and exhibitions	(i) Attend public forum and exhibitions	(i) Take part in public forum and exhibition.	i. Participate in public forums and	(i) Availability of public forum (ii) Availability of

participate d	(ii) Establish community outreach	(ii) Take part in Communit y outreach	exhibitio ns.	Commu nity outreach
ii. Available community outreach policy.			ii. Develop communi ty outreach policy.	
iv. Create brand identity and public relations system.			iii. Creation of public relations system.	

Kongoni TVC strategic pillars as espoused in its strategic plan 2020-2015 and as is captured in the performance contracting document for the financial year 2020-2021 under strategic objectives clearly builds a nexus between the strategic pillars and Kongoni TVC co- mandate and its other crosscutting issues in attainment of the strategic objective of Kongoni.

VII. CORPORATE GOVERNANCE STATEMENT

Kongoni Technical and Vocational College Board of Governors recognizes its accountability to the Government and to the public at large and therefore, It values honesty, openness and integrity in Governance. It ensures that the college is governed according to the relevant laws and regulations.

The Board consist of one (1) executive member while the rest nine (9) are non-executive members. Members of the Board are drawn from different professional fields hence bringing into board different skills and experience.

The principal carries out day to day activities of the college on behave of the Board, however, the Board retain its accountability to the government and to the public to ensure that the college is managed diligently.

Board Meetings.

There are at least three meetings in a year as per the TVET Act 2013. The Chairperson presides over every meeting at which he is present, but in the absence of the Chairperson the members present may elect one from among their number to preside.

The quorum for the Board meeting is seven members which include five appointed members. Sub-committee meetings are held from time to time depending on agency of the matter at hand.

Committees of the Board

Kongoni Technical and Vocational College board has three standing committees namely:

- i. Education committee
- ii. Finance committee
- iii. Development committee

Education committee

Education committee consist of three members. Its responsibilities are:

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- i. Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET Act 2013.
- ii. Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance to TVET Act 2013.
- iii. Developing and reviewing programs for training and to make representations thereon to the Board.
- iv. Regulating the admission and exclusion of trainees from the institution, subject to a qualifications framework and provision of TVET Act 2013.
- v. Approving collaboration or association with other institutions and industries in and outside Kenya.
- vi. Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry
- vii. Making regulations governing organization, conduct and discipline of the staff and trainees.

Finance committee

Finance committee ensures that there is proper management of college finances as per the PFM Act 2013.

It also does the following functions as per the TVET Act 2013.

- i. Prepare annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the college.
- ii. Determine fees payable and prescribe condition under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013.

Development committee

This committee consists of three members. Its responsibilities are as follows:

- i. It ensures that the college has kept proper records of its fixed assets and maintains them properly.
- ii. Administering and managing the property of the institution.
- iii. Develops and implements the institution's strategic plan.
- iv. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consideration of applicable laws.
- v. It carries out analysis of the college assets and ensures that the college directs funds to the suitable projects.
- vi. It ensures that the college has followed procurement laws in acquisition and development of college assets.
- vii. It ensures that the budget allocations to development projects are reasonable and the budget is strictly executed in every particular year.

Board's accountability

Despite delegation of its duties to different committees, the Board is fully aware of its accountability to the government of Kenya.

Resignation of appointment, Revocation of appointment, and vacation of office.

Kongoni Technical and Vocational College applies provisions Second schedule of TVET Act when dealing with resignation of appointment, revocation of appointment and vacation of office by Board members.

Boards succession planning

Kongoni Technical and Vocational College has taken a holistic board succession planning approach whereby the Nomination Committee, after considering the strategic direction of the college, plays a critical role in analysing the needs of every Board. The Boards tenure is three years and the existing Members can be re-nominated for another one term except the chairman. The college has kept a bank of

Curriculum vitas for those who have been identified as potential and therefore in case of any vacancy it will be easily replaced.

Conflict of interest

Kongoni Technical and Vocational College applies provisions of the Second schedule of TVET Act as far as Conflicts of interests are concerned.

Accountability and Risk Management

Operation structures have been developed, approved and implemented including policies and procedures manuals on risk management which take into account sustainability, ethics and compliance risk for all functional areas as appropriate, every staff is encouraged to carry out his duties in line with the provisions of the above policies and procedures as delegated by the Board. Kongoni TVC management also ensures that relevant laws and procedures are enforced in all activities carried out in the college.

The Board has established risk management function and internal audit function within the college which carries out risk assessment on a continuous basis and submits a written assessment of the effectiveness of the system of internal control on a quarterly basis to the Board Audit and Risk Management committee.

The Board has appointed a committee responsible for audit and risk management in the organization whose chairman is an independent member of the Board. It obtains relevant technical advice where necessary. This committee meets with the external auditor once a year. The Board evaluates the performance this committee annually.

It states in every annual report its responsibility for preparing the report and accounts and the state of the entity whether it is a going or quitting concern.

It ensures that the books of accounts are prepared on timely basis and ensure that the external audit of the financial statements is completed and submitted within stipulated timelines it ensures that the internal audit function monitors for rectification, weakness noted by the external auditor.

It also sets out its responsibility for risk management in the Board Charter.

The management team gives assurance to the Board that risk management framework is integrated in the daily activities of the organization.

Board Remuneration

Board members are re-embused their transport and travel cost and subsistence for the day while attending meetings and official consultations for the college and receive allowances.

Major risks the college is facing;

The College financial assets are trade receivables and cash and short-term deposits which arise directly from its operations. The College has financial liabilities comprising trade and other payables.

The College has exposure to the following risks:

- i) Market risks
- ii) Liquidity risks
- iii) Credit risks

The board has overall responsibility for the establishment and oversight of the College's risk management framework. The board through their regular meetings addresses risks associated with internal operations.

Market risk

Country risk

Country risk are many macro variables that are outside the control of a financial market and can impact the level of return due to an investment.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as and when they fall due. The College's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the College's reputation. Typically, the College ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence.

Credit risk

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The Management ensures that student debtors clear their fees arrears before their documents (Certificates) are released.

Material arrears in statutory/financial obligations

Kongoni TVC did not have any material arrears in statutory/financial obligations in the quarter under review.

The entity's financial probity and serious governance issues

The College did not have any major financial improbity reported during the quarter under review.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Kongoni TVC managed to admit a total of 206 trainees who qualified for various courses as per the requirements of KNQA framework. This admitted number is higher than what we managed to admit in last year and it is as a result of aggressive marketing carried out throughout the year which involved moving from market to another market advertising TVET courses.

Training of trainees have been smooth in this year though with some few challenges faced in availing training resources and facilities and disruption by COVID-19 pandemic which forced the college to be closed at some periods in the year. The college offered 22 TVETA approved courses of which ... are set courses. There was a total of 67 female trainees in SET courses which was 31.07% of total population of 206 trainees.

The college currently has a total of 48 classrooms which are shared by all the departments as per the developed time table.

By the end of this year the college had a total of 44 employees 17 being trainers employed by Public Service Commission, 13 being trainers employed by the Board and 14 being non-teaching staff employed by the Board. These staffs were trained through capacity building organised by KATTI the Treasury and other organizations.

In this year the college organised several academic trips to the trainees to various relevant organizations. This motivated the trainees and staff.

The college attended such games and sporting activities where the college performed exemplary. The games included the following games and sports;

- i. Foot ball
- ii. Athletics
- iii. Valley ball
- iv. Hand ball
- v. Net ball etc

The college did not participate in TVET fairs this year due to interruption by COVID-19 pandemic.

The college invested in fight against COVID-19 pandemic by purchasing equipment such as spray guns, thermometers sanitizer dispensers and sanitizer, water tank etc. As a way of paying back to the community the college distributed 30 water tanks to the nearby markets and schools.

In this year the college incurred less in electricity bills, soap and other consumables (such as food staff) because of lockdowns caused by COVID-19 pandemic.

Financially the college faced challenges in fees collection which was caused majorly by onset of COVID-19 pandemic. We managed to collect a total of Kenya Shilling 7,512,775 as school fees. We receive capitation grants for the year of Ksh 2,145,000 this being distributed as follows;

DATE	NO. OF TRAINEES	AMOUNT
December 2020	206	1,072,500
February 2020		1,072,500
	206	2,145,000

In order to generate income the college decided to invest in income generating units ie College farm, this college farm has proved to be beneficial to the college where by most of the college vegetable needs are serviced by it. Despite being productive, the faces challenges during dry season since the college can't water the farm sufficiently.

The college has been compliant to the following statutes and has contributed as per its provisions as follows: 1. NHIF

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021.

2. NSSF

3. Income Tax

Other statutes that the college has complied with are:

-Public Finance Management Act 2012

-Public Procurement and Disposal Act 2015

-CDAC

-TVET ACT

-KNQA

However, the college is facing some risk emanating from;

- i. Cut back of development grants
- ii. Poor payment of fees by the trainees
- iii. In sufficient supply of clean water
- iv. Low completion rate by trainers
- v. Poverty levels in the in the prospective trainees back ground.
- vi. Limited alternative sources of funds
- vii. Shortage of training infrastructure
- viii. COVID-19

IX. REPORT OF THE COUNCIL/BOARD OF MANAGEMENT

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

Principal activities

The principal activities of the entity are to teach and train in TVET.

Results

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

COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on page 4.

Auditors

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

By Order of the Board


Nashon Barasa (Mr)

Principal

Date...30.6.2021



X. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the entity.

The council members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council member accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The council members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2xxx, and of the entity's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the council members to indicate that the entity 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 financial statements were approved by the Board on 30/06 2022 and signed on its behalf by:

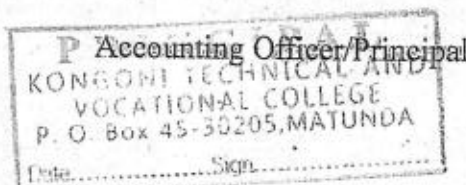
Name Eric M. M. Mwangi

Signature [Signature] 30/06/2022

Chairperson of the Board

Name Nashon Barasa

Signature [Signature] 30/06/22



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kongoni Technical and Vocational College set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kongoni Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Adverse Opinion

1. Accuracies in the Financial Statements

1.1 Comparative Figures

The financial statements reflect comparative amounts under all the items. However, this being the first audit of the College, the source and correctness of the comparative figures could not be ascertained.

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

1.2 Statement of Cash Flows

The statement of cash flows excludes amounts of Kshs.6,580,472 and Kshs.1,571,580 relating to capital grants and additions to property, plant and equipment respectively, as indicated under the statement of changes in net assets and Note 23.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

1.3 Variances Between Figures in Financial Statements and Supporting Schedules

Review of the records provided revealed variances between the amounts reported in the financial statements and those in supporting schedules as indicated below:

Item	Financial Statement Balance (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
Rendering of Services	7,372,622	7,612,222	(239,600)
Capitation Grant– Note 6	3,952,500	3,217,500	735,000
Total	11,325,122	10,829,722	495,400

In the circumstances, the accuracy and completeness of the amounts reflected in the financial statements for rendering of services and capitation grant could not be confirmed.

2. Failure to Maintain an Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.64,859,485 as at 30 June, 2021. However, the College did not maintain an assets register detailing: cost values, estimated current values, type or model, date of purchase, supplier, location and unique identification numbers of the assets.

In the circumstances, the accuracy, completeness and fair value of the property, plant and equipment balance of Kshs.64,859,485 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final approved budget and actual on a comparative basis of Kshs.26,028,000 and Kshs. 13,064,722 respectively, resulting to an under-funding of Kshs.12,962,278 or 50% of the budget. Similarly, the college spent Kshs.11,464,117 against an approved budget of Kshs.26,028,000 resulting to an under-expenditure of Kshs.14,563,883 or 56% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Lawfulness and Effectiveness in Use of Public Resources Section of my Report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition.

During the year under review, the College had fifty-eight (58) employees, out of which, forty-two (42) (or 72%), were from the dominant ethnic community. This contravenes

Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 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, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Information Technology, Risk Management Policies and Data Recovery Strategy

The Management had not put in place Data Recovery Strategy, Risk Management Policy and Information Technology Policy. This is contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the accounting Officer to ensure that the County Government Entity develops risk management strategies, fraud prevention mechanism; and the County Government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the College's information technology security could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

The College has not established an internal audit function and an audit committee of the board. This is contrary to the Regulations 160 and 174(1) of the Public Finance Management (National Government) Regulations, 2015, which provides for the establishment of an Internal Audit Function and an Audit Committee, respectively.

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

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 Board of Management

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 sustain its services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied

in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal 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 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 September, 2022

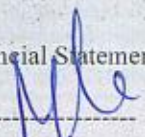
KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	5,452,500	1,000,000
Public contributions and donations	7	-	-
Total Revenue from non-exchange transactions		5,452,500	1,000,000
Revenue from exchange transactions			
Rendering of services- Fees from trainees	8	7,372,622	3,285,916
Sale of goods	9	239,600	12,000
Rental income	10	-	-
Other income	11	-	-
Revenue from exchange transactions		7,612,222	3,297,916
Total revenue		13,064,722	4,297,916
Expenses			
Use of goods and services	12	358,309	86,237
Employee costs	13	1,927,665	693,424
Remuneration of directors	14	731,400	254,00
Depreciation and amortization expense	15	1,712,095	-
Repairs and maintenance	16	351,588	48,115
General expenses	17	8,095,155	1,228,760
Finance costs	18	-	-
Total expenses		13,176,212	2,056,536
Other gains/(losses)			
Net surplus/deficit for the year		-111,490	2,241,380

The notes set out on pages 1 to 63 form an integral part of the Annual Financial Statements.

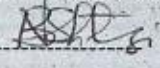
The Financial Statements set out on pages 1 to 34 were signed on behalf of the Institute Council/ Board of Governors by:

Sign 

Chairman of Council/Board of Governors

Date 30/06/2022

Sign 
Finance Officer
ICPAK No.25594
Date 30/06/2022

Sign 

Chief Principal

Date 30/06/2022
PRINCIPAL
KONGONI TECHNICAL AND VOCATIONAL COLLEGE
P. O. Box 45-30205, MATUNDA
Date.....Sign.....

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	19	120,234	1,183,835
Receivables from exchange transactions	20	3,750,500	10,000
Receivables from non-exchange transactions	21	1,807,500	-
Imprest	22	45,000	-
Total Current Assets		5,723,234	1,193,835
Non-current assets			
Property, plant and equipment	23	64,859,485	65,000,000
Intangible assets	24	-	-
Total Non-current Assets		64,859,485	65,000,000
Total assets		70,582,719	66,193,385
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	25	1,270,211	1,357,720
Payments received in advance	25	260,741	12,500
Total Current Liabilities		1,530,952	1,370,220
Non-current liabilities			
Non-current provisions	28	-	-
Borrowings	29	-	-
Total Non-current liabilities		-	-
Total liabilities		1,530,952	1,370,220
Capital and Reserves			
Reserves		-	-
Surplus/deficit		-111,490	2,241,380
Capital Fund		69,163,257	62,581,785
Total Capital and Reserves		69,051,767	64,823,165
Total Liabilities and Capital & Reserves		70,582,719	66,193,385

The Financial Statements set out on pages 1 to 34 were signed on behalf of the Institute Council/ Board of Governors by:

Sign 

Chairman of Council/Board of Governors

Date 30/6/2022
Date 30/6/2022



Sign

Finance Officer

ICPAK No.25594

Sign 

Chief Principal

Date 30/6/22

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
III. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital Fund	Total
Balance b/f at July 1, 2019	-	-	-	-	-
Revaluation gain					-
Fair value adjustment on quoted investments					-
Total comprehensive income			-		-
Capital/Development grants received during the year					-
Transfer of depreciation/amortization from capital fund to retained earnings					-
Balance c/d as at June 30, 2020	-	-	-	62,581,785	62,581,785
Balance b/f at July 1, 2020	-	-	-	62,581,785	62,581,785
Revaluation gain					-
Fair value adjustment on quoted investments					-
Total comprehensive income			-111,490		-111,490
Capital/Development grants added during the year				6,580,472	69,163,257
Transfer of depreciation/amortization from capital fund to retained earnings					-
Balance c/d as at June 30, 2021	-	-	-111,490	69,163,257	69,051,767

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

		2020/2021	2019/2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	5,452,500	1,000,000
Public contributions and donations	7	-	-
Rendering of services- Fees from trainees	8	7,372,622	3,285,916
Sale of goods	9	239,600	12,000
Rental revenue from facilities and equipment	10	-	-
Other income, rentals and agency fees	11	-	-
Development Grants and subsidies received	6	-	-
Total Receipts		13,064,722	4,297,916
Payments			
Employment cost	13	1,927,665	693,424
Use of goods and services	12	358,309	86,237
Remuneration to Directors	14	731,400	254,000
General Expenses	17	8,095,155	1,228,760
RMI	16	351,588	48,115
Total Payments		11,464,117	2,056,563
Net cash flows from operating activities		1,600,605	2,241,380
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	23	-	-
Proceeds from sale of property, plant and Equipment		-	-
Decrease/increase in Payables	25	-100,009	-
Decrease/increase in receivables	20	-2,564,196	-1,070,045
Increase in inventories		-	-
Net cash flows used in investing activities		-2,664,205	1,171,335
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Increase in deposits		-	12,500
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-1,063,600	1,183,835
Cash and cash equivalents at 1 July 2020		1,183,835	-
Cash and cash equivalents at 30 June 2021	28	120,235	1,183,835

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	4,580,000	-	4,580,000	5,452,500	-872,500	19%
Revenue from exchange transaction	21,448,000	-	21,448,000	7,612,222	13,835,445	64%
Total income	26,028,000	-	26,028,000	13,064,722	12,962,945	
Expenses						
Employment cost	2,472,264	-	2,472,264	1,927,665	544,599	22%
Use of Goods and services	1,304,000	-	1,304,000	358,309	945,691	72.5%
Repairs & Maintenance	658,000	-	658,000	351,588	306,412	46.5%
General expenses	17,014,526	-	17,014,526	8,826,555	8,187,971	48%
Total expenditure	21,448,520	-	21,448,520	11,464,117	9,984,673	
Surplus for the period	-	-	-	1,600,605	2,978,272	

KONGONI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kongoni technical entity is established by and derives its authority and accountability from TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical 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 *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes

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

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

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

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

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

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2020/2021 was approved by the BOG. Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

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

c) Taxes

Current income tax

The entity is exempt from paying corporate taxes. However, it is authorised to withhold VAT at 2 per cent and withholding tax at 3 per cent from construction works and remit to KRA.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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) Investment property

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

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

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

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

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Intangible assets

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

i) Inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

k) 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 a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

l) Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Related parties

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

n) 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.

o) Cash and cash equivalents

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

p) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Useful life 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 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.

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

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	KShs	KShs
Operational grant	1,500,000	-
Capitation grant	3,952,500	1,000,000
Total Government grants	5,452,500	1,000,000

(b) 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.	Total grant income during the year
				2020-2021
			KShs	KShs
MOE	500,000	-	-	500,000
MOE	500,000	-	-	500,000
MOE	500,000	-	-	500,000
MOE	1,807,500	-	-	1,807,500
MOE	1,072,500	-	-	1,072,500
MOE	1,072,500	-	--	1,072,500
Total	5,452,500	-	5,452,500	5,452,500

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2019-2020
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious colleges	-	-
Donations from alumni	-	-
Other donations	-	-
Total donations and sponsorships	-	-

8. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition fees	1,664,052	1,068,080
Activity fees	204,425	-
Medical fees	2,000	-
Examination fees	504,425	-
Local transport and travelling	577,700	-
Hostel	62,200	-
Electricity water and conservancy	254,970	-
Registration fees	58,400	-
Student union	-	-
Student IDS	16,900	-
Repairs and maintenance	219,400	-
Personal emolument	949,550	-
CDF Bursary	73,000	10,000
Helb loan	2,785,600	2,207,836
Total revenue from the rendering of services	7,372,622	3,285,916

9. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
Sale of goods		
Sale of cabros	150,000	-
Sale of farm produce	38,600	12,000
Tender	51,000	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	239,600	120,000

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. RENTAL INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Boarding Fees	-	-
Total rentals	-	-

11. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Contingencies Fees	-	-
Computer Packages charges	-	-
Total other income	-	-

12. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Electricity, Water & conservancy	358,309	86,237
Total good and services	358,309	86,237

13. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	1,783,665	693,424
Security	144,000	
Employee related costs - contributions to pensions and medical aids		
Total Employee costs	1,927,665	693,424

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Director's emoluments	731,400	254,000
Other allowances	-	-
Total director emoluments	731,400	254,000

15. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	1,712,095	
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	1,712,095	-

16. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
RMI	351,588	48,115
Total Repairs and Maintenance	351,588	48,115

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. GENERAL EXPENSES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition	3,478,701	1,178,837
Training materials	80,300	-
Production Unit	319,714	32,190
Postage	25,145	-
Student IDS	51,000	-
Imprest	45,000	-
Bank charges	2,674	5,733
Farm	36,550	-
Hostel	46,000	12,000
Examination	506,830	-
Tender	25,000	-
Fees Refund	260,741	-
Capitation	3,217,500	-
	8,095,155	1,228,760

18. FINANCE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Total finance costs	-	-

19. (a) CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current account	120,234	1,183,835
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	120,234	1,183,835

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 (b). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		2020-2021	2019-2020
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	1267312963	120,234	
Sub- total		120,234	

20. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Student debtors	3,750,500	-
Rent debtors		
Total current receivables	3,750,500	-
Non-current receivables		
Refundable deposits	-	
Advance payments		
Public organizations		
Less: impairment allowance		
Total non-current receivables	-	-
Total receivables	3,750,500	-

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Transfers from other govt. entities	1,807,500	
Undisbursed donor funds	-	
Other debtors (non-exchange transactions)		
Less: impairment allowance		
Total current receivables	1,807,500	-

22. IMPREST

Description	2020-2021	2019-2020
	KShs	KShs
Outstanding	45,000	
Total	45,000	-

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Library Books	Plant and equipment	Capital Work in progress	Total
Cost	KShs		KShs	KShs	KShs	KShs	KShs	KShs	KShs
At 1 July 2020	10,000,000	55,000,000	-	-	-	-	-	-	65,000,000
Additions	-			600,000	384,000		587,580	-	1,571,580
Disposals									-
Transfer/adjustments									-
At 30 th June 2021	10,000,000	55,000,000	-	600,000	384,000	-	587,580	-	66,571,580
Depreciation and impairment									-
At 1 July 2020	-	-	-	-	-	-	-	-	-
Depreciation		1,375,000	-	75,000	115,200	-	146,895	-	1,712,095
Disposals									-
Impairment									-
Transfer/adjustment									-
At 30 th June 2021	-	1,375,000	-	75,000	115,200	-	146,895	-	1,712,095
Net book values									-
At 30 th June 2021	10,000,000	53,625,000	-	525,000	268,800	-	440,685	-	64,859,485
At 30 th June 2020	10,000,000	55,000,000	-	-	-	-	-	-	65,000,000

KONGONI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

24. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	-	
Additions	-	
Cost end of the year	-	-
Amortization and impairment		
At beginning of the year	-	
Amortization	-	-
Amortization at end of the year	-	-
Less: Impairment loss		
At end of the year	-	-
NBV	-	-

25. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	1,270,211	1,357,720
Refundable deposits from customers	260,741	12,500
Total trade and other payables	1,530,952	1,370,220

26. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non -current provisions	-	-	-	-	-
Total provisions	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2020-2021	2019-2020
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

28. NON-CURRENT PROVISIONS

	Long service leave	Gratuity	Other Provisions	Total
Balance at the beginning of the year		-		-
Additional Provisions		-		-
Provision utilized				-
Change due to discount and time value for money				-
Less: Current portion				-
Total Non-current provisions	-	-	-	-

29. BORROWINGS

Description	2020-2021	2019-2020
	KShs	KShs
Borrowings - Current portion		
Government bonds issued		
Commercial bank Loans	-	
Total current portion	-	-
Borrowings – Non- current portion		
Government bonds issued		
Commercial bank Loans	-	-
Other loans- from donor and financiers		
Total Non-current portion	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due e.g. trade and other receivables

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 2021				
Receivables from exchange transactions	1,807,500	1,807,500	-	-
Receivables from non-exchange transactions	3,750,500	3,750,500	-	-
Bank balances	120,234	120,234	-	-
Total	5,678,234	5,678,234	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	-	1,270,211	-	1,270,211
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	1,270,211	-	1,270,211

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

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 college 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 colleges that offer favourable interest rates.

b) Interest rate risk(continued)

Sensitivity analysis

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

iv) Capital Risk Management

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

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve		
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	120,234	-
Net debt/(excess cash and cash equivalents)	120,234	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of management.

32. EVENTS AFTER THE REPORTING PERIOD

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

33. ULTIMATE AND HOLDING ENTITY

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

34. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	Budget control and performance	Due to Covid-19 the college operations were minimal	Resolved	
4.1	Lack of internal audit Department and Audit committee	During financial year 2020/2021 we had no internal audit department and audit committee because the college had just started and we had not employed internal auditor. The college has now hired an internal auditor from a sister institute – Bushiangala Technical and Training Institute as per Ministry directive.	Resolved	

Accounting Officer

Name Nashon Barasa

Signature.....

Date30/6/22



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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:			
Breakdown of Transfers from the State Department of Vocational and Technical Training			
FY 2020/ 2021			
a.	Recurrent Grants	Bank Statement Date	Amount (KShs)
		Dec 2020	1,072,500
		Feb 2021	1,072,500
		Total	2,145,000
b.	MOE operation grants	Bank Statement Date	Amount (KShs)
		Nov 2020	500,000
		March 2021	500,000
		April 2021	500,000
		Total	1,500,000

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

Finance Manager
Kongoni Technical Training Institute

Head of Accounting Unit
Ministry of Education

Sign-----

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