


REPUBLIC OF KENYA



REPORT

OF

 THE NATIONAL ASSEMBLY	
DATE: 01 SEP 2021	
DAY: WED	
TABLED BY:	WOMP
CLERK-AT THE TABLE:	S. Kalara

THE AUDITOR-GENERAL

ON

**KIENI TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2019**

KIENI TECHNICAL & VOCATIONAL COLLEGE

P.O BOX 316- 10202

KIGANJO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2019

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

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II. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kieni Technical & Vocational College is located at Karicheni Village in Nyeri County Kieni sub county. The construction of Kieni T.V.C started in 2014. It was a joint effort of the Kenya Government and the C.D.F. of Kieni Constituency. The Government contributed Ksh. 40 million whereas the C.D.F. of Kieni constituency contributed Ksh. 10 million. The college was mentored by Mathenge Technical Training Institute in Nyeri County. It was completed in December 2018 and the PSC posted the first principal in February 2019. The Government equipped the college with Building Technology Machines and training equipment.

The college admitted the first students in May 2019 and has current enrolment is 24 students. The government is yet to post trainers in various courses. The college has engaged 3 trainers and a receptionist. Casual workers are hired occasionally depending on the demands. Our goal is to reach an enrolment of 410 students by the end of June 2020.

(b) Principal Activities

The Mandate of Kieni Technical & vocational college is to provide Technical, Vocational and Entrepreneurship Training (TVET) in a conducive environment using appropriate technology to empower her trainees for individual and national development. (to insert mission statement for Kieni TVC)

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is our undertaking to ensure that KIENI Technical & vocational college has a credible & prudent financial management system that ensures efficient and transparent use of public resources.

(a) Vision

A centre for globally competitive technological skills for sustainable livelihood

(b) Mission

To provide trainees with quality technical skills for transforming lives through innovation and technology

(c) Core Values

Kieni Technical and Vocational College adheres to the following set of values that dictate the desired institutional culture.

- Culture
- Professionalism
- Integrity
- Accountability
- Team work



- Patriotism
- Creativity
- innovation

(c) Addresses & offices

P.O. Box 316 - 10102 Kiganjo
Nyeri County
Kieni Sub County
5 km from Chaka & Narumoru Road.

(d) Contacts

Telephone : (254)0791917471
E-mail: kienitech2019@gmail.com

Website: www.kienitvc.ac.ke

(e) Kieni Technical & vocational college Bankers

Kenya Commercial Bank Ltd
Nyeri Branch
Nyeri Town

(f) Kieni Technical & vocational college Independent Auditors

Auditor General
The office of the auditor general
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya



I KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(g) Principal Legal Adviser

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



Ms Ruth W Ruita
P.O BOX 316- 10102
KIGANJO

Academic & Professional Qualifications:

2013- 2017 -Bachelor of Arts Counselling psychology
2003 – 2004 - Higher Diploma technical education management
1994 - Diploma Institutional Management

Work experience

1991- 2003 Machakos Technical –Lecturer fashion design/ deputy
HoD Clothing
2003 – 2004 Higher Diploma KTTC(Education Management)
2005- 2009 Nyeri Technical Training Institute (section head clothing)
2009- 2014 Deputy Liaisons Officer
2015 – 2016 head of complaints office
2016 – 2019 Feb Dean of students
2019 Feb to date Principal Kieni TVC

(h) Board Committees

Name of the Committee	Members
Finance and Audit Committee	The college relies on the BOG committee from the mentoring institution to foresee the financial and audit issues
Governance and Ethics Committee	The college relies on the BOG committee from the mentoring institution to foresee the governance and ethics issues

I KEY ENTITY INFORMATION AND MANAGEMENT

TOP MANAGEMENT	
Name	Responsibility
Ms Ruth W Ruita	Chief Executive Officer/ Principal

III. STATEMENT OF RESPONSIBILITIES

Section 83 of the Public Finance Management Act, 2012 requires an Accounting Officer for a National Government owned Entity to prepare a report for each quarter of the financial year in respect of the entity.

In preparing a quarterly report for a National Government Entity, the Accounting Officer shall ensure that the report:

- (a) Contains information on the financial and non-financial performance of the entity; and
- (b) Is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board of Kenya from time to time.

In addition, not later than fifteen days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury. The Cabinet Secretary responsible for an entity shall forward a copy of the report to the Cabinet Secretary and Controller of Budget.

In the case of an entity that is a state corporation, the Accounting Officer for the corporation shall submit the quarterly report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

Approval of the annual financial statements

KIENI Technical & vocational college quarterly financial statements have been prepared in accordance with Section 83 of the PFM Act and were approved by the Board of governor on ____31-06-2019 and

signed on its behalf by:

Douglas T. Mathenge

Chairman BOG

Ruth Ruita

Principal/Sec BOG

III. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

Kieni TVC operational and financial performance

The college is yet to have Board of Governor in place however the PFM act of 2012 requires that the BOG to prepare financial statement in respect of the institute which gives true and fair view of the state of affairs of the college and operating results of the college. The BOG is also required

to ensure that the college keeps proper accounting records which disclose with accuracy the financial position of the college and safeguard the college assets.

The BOG is responsible for the preparation and presentation of the college financial statement which give a true & fair view of the college. The responsibility include:

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

SECTION B

compliance with statutory requirements

KIENI Technical & vocational college has been submitting the monthly statutory deductions on the due date.

They include

- KRA PAYE
- NSSF
- NHIF

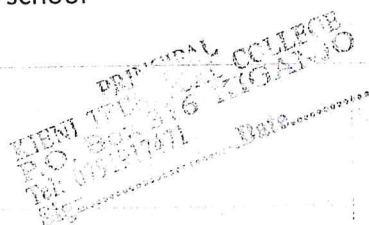
SECTION C

Key projects the institute is implementing

The college is to Construct of water storage tank and install gutters to harvest rain water.

The college is also in process of starting a driving school

III. MANAGEMENT DISCUSSION AND ANALYSIS



SECTION D

SECTION E

Material arrears in statutory/financial obligations

The institute does not have any pending obligations

SECTION F

The entity's financial probity and serious governance issues

The institute does not have any improbity and governance issues

REPORT OF THE PRINCIPAL

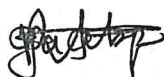
It gives me pleasure to present the Annual Report and Financial Statement of the Kieni Technical & Vocational College for the year ended 30th June 2019. During the year under review, the college made tremendous growth in all areas of operation.

Total revenue collection amounted to Kshs.1, 800,100.00 million which was tremendous owing to the fact that the college started its operation in May 2019. The college rely totally on mentoring institution to fund all is operational activities since its yet to have Board of governors in place

As part of its strategy to achieve operational sustainability, the college has adopted measures to rationalize and manage costs.

Finally, I wish to recognize the great contribution of all our stakeholders towards the achievements the college has made since it was started. I sincerely thank all of them and look forward to their continued support.

Thank you.



Ms Ruth Ruita

Principal /Sec BoG

CORPORATE GOVERNANCE STATEMENT

The college relies on the BOG Mathenge T T I on management and funding of the college.

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015
By Order of the Board

Approval of the financial statements

The college financial statements were approved by the Board (Mentoring Institution) on 31st June 2019 and signed on its behalf by:

Confirmed by:

Douglas T. Mathenge



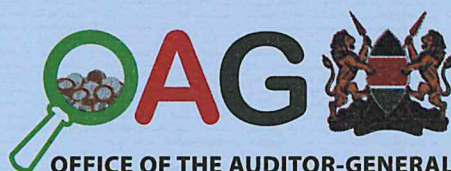
Chairman BOG



PRINCIPAL
KIEMI TECHNICAL COLLEGE
P.O. BOX 116 1120 1120
TEL 020 77071
Date: _____

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 KIENI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kieni Technical and Vocational College set out on pages 1 to 10, which comprise the statement of financial position as at 30 June, 2019, 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 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, in all material respects, the financial position of the Kieni Technical and Vocational College as at 30 June, 2019, 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 Technical and Vocational Education Training Act, 2013.

Basis for Adverse Opinion

1. Non Compliance in Presentation of the Financial Statements

The financial statements for the year ended 30 June, 2019 submitted for audit do not have a summary of significant accounting policies including the basis for measurement used in preparing the financial statements. Further, the explanatory notes thereto are incomplete.

The financial statements, therefore, do not comply with the International Public Sector Accounting Standard (IPSAS) No.1 on presentation and disclosure requirements, and have been prepared and presented contrary to the reporting guidelines prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Variances Between the Statement of Financial Performance and Statement of Comparison of Budget and Actual Amounts

Several variances were noted between the expenditure figures for various account items reflected in the statement of financial performance and the corresponding figures in the statement of comparison of budget and actual amounts as shown in the table below:

Account Item	Figure in the Statement of Financial Performance Kshs.	Figure in the Statement of Comparison of Budget and Actual Amounts Kshs.	Variance Kshs.
Use of Goods and Services	6,970	993,948	986,978
Mathenge TTI	986,878	-	986,878
Repairs and Maintenance	112,435	-	112,435
Contracted Services	165,600	-	165,600
General Expenses	1,733,579	2,011,614	(278,035)

Management has not provided explanations or reconciled the variances.

Consequently, the accuracy of the statement of financial performance cannot be confirmed.

3. Unexplained Variance in Use of Goods and Services

The statement of financial performance reflects an expenditure of Kshs.6,970 under use of goods and services while Note 7 to the financial statements reflects a corresponding figure of Kshs.993,948, resulting to an unexplained and unreconciled variance of Kshs.986,978.

Consequently, the accuracy and completeness of use of goods and services expenditure of Kshs.6,970 for the year ended 30 June, 2019 could not be confirmed.

4. Unvalued and Omitted Assets

The statement of financial position reflects total assets of Kshs.1,945,214 as at 30 June, 2019. However, a review of the College's list of assets revealed parcels of land, several buildings, laboratory equipment, machinery, furniture and fittings including donated assets that were not valued and included in these financial statements.

Under the circumstances, the accuracy and completeness of the total assets balance of Kshs.1,945,214 as at 30 June, 2019 could not be confirmed.

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

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 matters discussed in the Basis for Conclusion on 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

Unapproved Budget

The statement of comparison of budget and actual amounts reflects final budgeted revenue and expenditure of Kshs.528,960 against actual revenue and expenditure of Kshs.3,935,093 and Kshs.3,060,962 respectively. However, no evidence was provided to show that the budget figures were approved by the Board of Governors. This is contrary to the provisions of Section 29(e) of Technical and Vocational Educational Training Act, 2013, which requires the Board of Governors to prepare annual estimates of revenue and expenditure for such institutions.

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 Adverse Opinion 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

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 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the College'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 August, 2021

IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	3	1,000,000.00	0.00
Public contributions and donations	4	410,000.00	0.00
		<u>1,410,000.00</u>	<u>0.00</u>
Revenue from exchange transactions			
Rendering of services- Fees from students	5	554,415.00	0.00
Other income	6	1,970,678.00	0.00
Revenue from exchange transactions		<u>2,525,093.00</u>	<u>0.00</u>
Total revenue		<u>3,935,093.00</u>	<u>0.00</u>
Expenses			
Use of goods and services	7	6,970.00	0.00
Employee costs	8	55,500.00	0.00
Repairs and maintenance	9	112,435.00	0.00
Contracted services	10	165,600.00	0.00
General expenses	11	1,733,579.00	0.00
Mathenge TTI		986,878.00	0.00
Total expenses		<u>3,060,962.00</u>	<u>0.00</u>
Total other gains/(losses)			
Net Surplus for the year		<u>874,131.00</u>	<u>0.00</u>

The notes set out on pages 6 to 10 form an integral part of the Annual Financial Statements.

[Signature]

PRINCIPAL
KIENI TECHNICAL COLLEGE
P.O. Box 316 KIGARI JO
Tel: 0791917471
Sign: _____ Date: _____

**KIENI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2019**

V. STATEMENT OF FINANCIAL POSITION AS AT 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	788,894.00	0.00
Receivables from exchange transactions	13	156,320.00	0.00
Receivables from non-exchange transactions	14	1,000,000.00	0.00
Total assets		<u>1,945,214.00</u>	<u>0.00</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	15	1,071,083.00	0.00
Total liabilities		<u>1,071,083.00</u>	<u>0.00</u>
Net assets		874,131.00	0.00
Reserves		0.00	0.00
Accumulated surplus		874,131.00	0.00
Total net assets and liabilities		<u>874,131.00</u>	<u>0.00</u>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Council/ Board of Governors by:
Douglas Thoithi



Signature: _____ Date: _____
Tel: 0791917471
Sign:

Ruth Ruita

[Handwritten Signature]

Principal

Date 05/07/2019

**KIENI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2019**

VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2019

	Retained earnings	Total
At July 1, 2017	<u>0.00</u>	<u>0.00</u>
Revaluation gain	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00
Total comprehensive income	0.00	0.00
Capital/Development grants received during the year	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	0.00	0.00
At June 30, 2018	<u>0.00</u>	<u>0.00</u>
At July 1, 2018	<u>0.00</u>	<u>0.00</u>
Revaluation gain	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00
Surplus	874,131.00	874,131.00
Capital/Development grants received during the year	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	0.00	0.00
At June 30, 2019	<u>874,131.00</u>	<u>874,131.00</u>

[Signature]

KIENI TECHNICAL AND VOCATIONAL COLLEGE
P.O. BOX 516
TEL 0191571471
Date:

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		2018-2019	2017-2018
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	3	1,000,000.00	0.00
Public contributions and donations	4	410,000.00	0.00
Rendering of services- Fees from students	5	554,415.00	0.00
Other income	6	1,970,678.00	0.00
Total Receipts		<u>3,935,093.00</u>	<u>0.00</u>
Payments			
Compensation of employees	8	55,500.00	0.00
Use of goods and services	7	993,948.00	0.00
Other payments	11	2,011,614.00	0.00
Total Payments		<u>3,060,962.00</u>	<u>0.00</u>
Surplus		<u>874,131.00</u>	<u>0.00</u>
Working capital adjustments			
(Add)payables from exchange transactions		1,071,083.00	0.00
(less) receivables from non exchange transactions		(1,000,000.00)	0.00
(less)receivables from exchange transactions		(156,320.00)	0.00
Net cash flows from operating activities		<u>788,894.00</u>	<u>0.00</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 JULY 2018		0.00	0.00
Cash and cash equivalents at 30 JUNE 2019	12	<u>788,894.00</u>	<u>0.00</u>

EDUN TECHNICAL COLLEGE
P.O. Box 316 KIOGA JO
Tel: 0991917471 Date:.....
Sign:.....



**KIENI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 30TH JUNE 2019**

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% variance	Note no
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019		
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Govt. grants	0.00	0.00	0.00	1,000,000.00	1,000,000.00	(100%)	1
Public contributions	0.00	0.00	0.00	410,000.00	410,000.00	(100%)	2
Rendering of services- Fees from students	528,960.00	0.00	528,960.00	554,415.00	25,455.00	(3.08%)	
Other income	0.00	0.00	0.00	1,970,678.00	1,970,678.00	(100%)	3
				3,935,093.00			
Total income							
Expenses							
Compensation of employees	79,200.00	0.00	79,200.00	55,500.00	23,700.00	29.94%	4
Use of Goods and services	84,000.00	0.00	84,000.00	993,848.00	909,848.00	(>100%)	5
General expenses	365,760.00	0.00	365,760.00	2,011,614.00	1,645,854.00	(>100%)	6
Total expenditure				3,060,962.00			
Surplus for the period				874,131.00			

Notes to the budget variances

Note 1. GoK Grants

This is receivable from the non-exchange transaction of kshs.1,000,000.00 through a commitment made by the GOK through a letter dated 3rd July 2019

Note 2. public contribution

Being college received an allocation of kshs.410,000.00 from the Kieni CDF which was inform of sponsorship to the 100 students who were to be enrolled in the college.

Note 3. other income

The college hosted students participating in KETTISO ball games in the month of June which contributed to kshs.983, 800.00 to the income from exchange transaction. The mentoring institution (Mathenge TTI) also funded operation activities at a tune of kshs. 986,878.00

Note 4. compensation of employees

The college had anticipated to recruit trainers on BOG terms, however, the low students enrolment and lack of funds acted as a major hindrance.

Note 5 & 6. use of goods & services & general expenses

The mentoring institution funded the operations of the college and also college purchased foodstuff during the KETTISO ball games

PRINCIPAL
KIENI TECHNICAL COLLEGE
P.O. Box 316 KIGANJO
Tel: 0791917471
Sign:.....Date:.....

IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The college is established by the GOK and derives its authority and accountability from TVET Act 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is technical & vocational training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college.

The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). This is the 1st year of the college to be in operation and present its financial statements.

3 TRANSFERS FROM NATIONAL GOVERNMENT

Description	2018-2019	2017-2018
	Kshs	Kshs
Unconditional grants		
Operational grant	1,000,000.00	0.00
Total government grants and subsidies	1,000,000.00	0.00

4 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2018-2019	2017-2018
	Kshs	Kshs
Kieni CDF bursary	410,000.00	0.00
Total donations and sponsorships	410,000.00	0.00

Being college received an allocation of kshs.410,000.00 from the Kieni CDF which was inform of sponsorship to the 100 students who were to be enrolled in the college

5 RENDERING OF SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
Rendering of services		
tuition	53,095.00	0.00
admin	53,340.00	0.00
p. emoluments	51,480.00	0.00
l.t t	16,100.00	0.00
e w c	18,720.00	0.00
r m i	32,760.00	0.00
activity	15,600.00	0.00
s welfare	6,120.00	0.00
insurance	20,280.00	0.00

practical's	43,680.00	0.00
Nita	196,740.00	0.00
Caution	10,500.00	0.00
registration	36,000.00	0.00
	554,415.00	0.00

6 OTHER INCOME

Description	2018-2019	2017-2018
	Kshs	Kshs
MATHENGE TVC	986,878.00	0.00
KATTI ACTIVITY	983,800.00	0.00
	1,970,678.00	0.00

7 USE OF GOODS AND SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
TUITION	993,848.00	0.00
Total good and services	993,848.00	0.00

8 EMPLOYEE COSTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Salaries and wages	55,500.00	0.00
Employee costs	55,500.00	0.00

9 REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	Kshs	Kshs
General Repairs	112,435.00	0.00
Total repairs and maintenance	112,435.00	0.00

10 CONTRACTED SERVICES

Description	2018-2019	2017-2018
	Kshs	Kshs
Security services	165,600.00	0.00
Total contracted services	165,600.00	0.00

11 GENERAL EXPENSES

Description	2018-2019	2017-2018
	Kshs	Kshs
L.T T	114,830.00	0.00
E W C	65,760.00	0.00
ACTIVITY	3,400.00	0.00
Meetings & ACTIVITIES	694,931.00	0.00
ADMIN	854,658.00	0.00
Total general expenses	1,733,579.00	0.00

[Signature]

RECEIVED
COLLECT
GARANJI
2019/01/10

12 CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Current account	636,500.00	0.00
Cash at hand	152,394.00	0.00
Total cash and cash equivalents	788,894.00	0.00

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

		2018-2019	2017-2018
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1256958972	636,500.00	0.00
Sub- total		636,500.00	0.00
b) Others(specify)			
cash in hand		152,394.00	0.00
Sub- total		152,394.00	0.00
Grand total		788,894.00	0.00

13 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Student debtors	156,320.00	0.00
	156,320.00	0.00

14 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
GOK operational grants	1,000,000.00	0.00
Total current receivables	1,000,000.00	0.00

15 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables to Nyandarua Institute	76,000.000	0.00
Operational advances from Mathenge T T I	986,878.00	0.00
Prepaid Fees	8,205.00	0.00
Total trade and other payables	1,071,083.00	0.00

16 FINANCIAL RISK MANAGEMENT

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of inflation. The college'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 college does not hedge any risks and has in place policies to ensure that mitigating measures are in place.

Principal
Box 216
80791917471
Date

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

(i) Credit risk

The college has established fees payment policy to enhance timely fees collection which mitigates possible bad debts.

(ii) Liquidity risk management

The college has developed a realistic budget which is achievable and continuously monitors the flow of projected revenue. The college has diversified its sources of short, medium and long-term funding and liquidity continuously monitors of its forecasts and actual cash flows.

17 RELATED PARTY BALANCES

Nature of related party relationships

The college has developed stake holders analysis their expectations and their influence to the management.

Government of Kenya

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

- i) The National Government;
- ii) Ministry of education;
- iii) County government;
- iv) Financial institutions;
- v) Student;
- vi) Staffs
- vii) Guardians and sponsors
- viii) Key management;
- ix) Board of directors;

18 EVENTS AFTER THE REPORTING PERIOD

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

19 ULTIMATE AND HOLDING ENTITY

The college is a Government Entity under the Ministry of Education and its ultimate parent is the Government of Kenya.

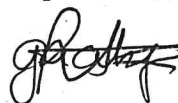
20 Currency

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

Confirmed By; Douglas T. Mathenge



Prepared By;



PRINCIPAL
Kieni Technical College
P.O. Box 316 KIGALI
Tel: 0791917471
Sign.....Date.....

Chairman BOG
Date..30th June 2020

Ruth Ruita Principal Kieni TVC

