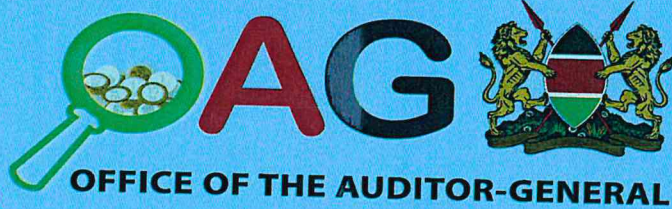
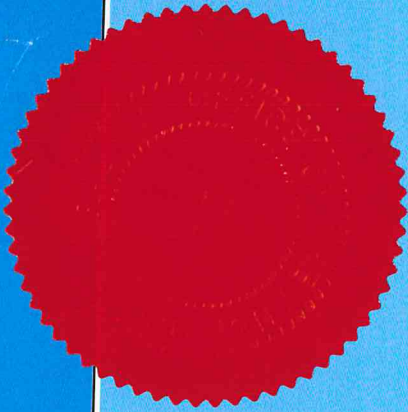



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE: 03 MAR 2022	DAY: Thurs
OF Tabled BY: LDM	
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THE AUDITOR-GENERAL

ON

**NDIA TECHNICAL AND VOCATIONAL
COLLEGE**

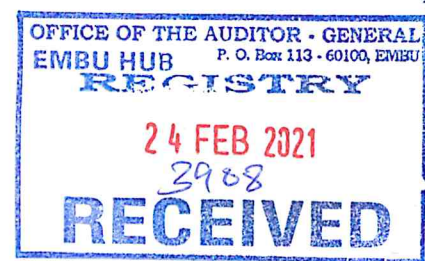
**FOR THE YEAR ENDED
30 JUNE, 2020**

**NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020**

NDIA TECHNICAL & VOCATIONAL COLLEGE

P.O BOX 4 10230

SAGANA



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2020

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

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020

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NDIA TECHNICAL AND VOCATIONAL COLLEGE

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KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Ndia Technical and vocational College is located at Gacharu Village in Kirinyaga County. The construction of Ndia T.V.C started in 2014. It was a joint effort of the Kenya Government and the C.D.F. of Ndia Constituency. The Government contributed Ksh. 40 million whereas the C.D.F. of Ndia constituency contributed ksh. 10 million. It was mentored by Michuki Technical Institute in Murang'a County. It was completed in February 2017 and the TSC posted the first principal in July 2017. The Government equipped the college with the state of the art Automotive Engineering Machines, training equipment, computers and furniture.

The college admitted the first students in January 2018 and the population has grown tremendously over the years.

(b) Principal Activities

The Mandate of Ndia 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 provide quality skills using sustainable and innovative technology.

We offer both Technical and Business courses. Our College has modern equipment in automotive engineering which is our major course.

Courses offered

The Technical courses offered are as follows:

- i) Diploma in Automotive Engineering.
- ii) Craft Certificate in Automotive Engineering.
- iii) Artisan in Automotive Engineering.
- iv) Diploma in Building Construction.
- v) Craft Certificate in Building Construction.
- vi) Artisan in Masonry.
- vii) Craft Certificate in Electrical Engineering.
- viii) Craft Certificate in Plumbing Technology.

The College offers the following Business Courses and Beauty Courses.

- i) Diploma in Information and Communication Technology.
- ii) Craft Certificate in Information and Communication Technology.
- iii) Diploma in Business Management.
- iv) Craft Certificate in Business Management.
- v) We offer Artisan Courses in Hairdressing and Beauty Therapy.

Our faculty comprises of qualified personnel, majority being degree holders in various engineering courses.

In the year 2019-2020, we received a total of 96 students from KUCCPS who sponsor students throughout their course. Students can also apply for HELB loans.

NDIA TECHNICAL AND VOCATIONAL COLLEGE

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We believe in partnership and collaboration and the college has had a good relationship with the immediate community who have picked up the partnership spirit and all hostels are put up and owned by the community.

The County Government and the CDF sponsors our students and also provides attachment opportunities to our students.

We are in continuous consultation with the ministry of education to ensure that we are compliant with all government requirements and guidelines to foster National Development.

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 Ndia Technical & vocational college has a credible & prudent financial management system that ensures efficient and transparent use of public resources.

(a) Vision

To be a centre of excellence in Technical and Vocational Training.

(b) Mission

To provide quality skills sustainable and innovative technology.

(b) Key Management

The college day-to-day management is under the following key organs:

- Board of Governor
- Accounting officer/ Principal
- Heads of departments
- Heads of section

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Ms Josphine achiuri
2.	Ag. Deputy principal	Mr. Daniel Gichoya
3.	Head of Finance	Ms. Patricia W Maringa
4.	Ag. Head of Procurement	Ms. Patricia W Maringa
5.	P.C Co-ordinator	Mr. Geoffrey Maore Ngore
6.	Registrar	Mr. Alex Mwangi Muchiri

NDIA TECHNICAL AND VOCATIONAL COLLEGE
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(d) Fiduciary Oversight Arrangements

Name of the Committee	Members
Finance and Audit Committee	Mr Michael G Maringa Eng. Anthony G Wandu Ms Nelly C Kiplangat
Name of the Committee	Members
Governance and Ethics Committee	Ms. Jedida W Muchoki Ms. Jacqueline Kendi Ithiria Yvonne Achieng Murenga

(e) Addresses & offices

P.O. Box 4 10230 Sagana
 Kirinyaga County
 Ndia Sub-County
 3km off Sagana Kagio road

(f) Contacts

Telephone :(254)0799906614
 E-mail: ndiatechnical@gmail.com
 Website: www.ndiatvc.com

(g) Ndia Technical & vocational college Bankers

Kenya Commercial Bank Ltd
 Muranga Branch
 Muranga Town





(h) Ndia Technical & vocational college Independent Auditors

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




(i) Principal Legal Adviser

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


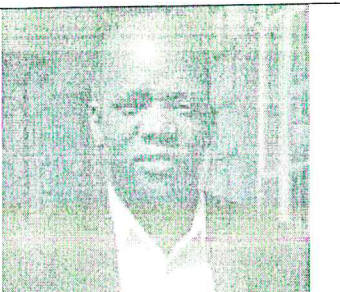

(j) Board Members
THE BOARD OF GOVERNORS

 <p>Michael Maringa Gitari P.O Box 21046- 00100 Nairobi</p>	<p><u>Date of birth:</u> 22nd Feb 1969</p> <p><u>Qualifications:</u> Master of business administration in Finance Bachelor of commerce in (banking & finance) Certified public accountant(CPA-K)</p> <p><u>Work Experience</u> Over 22 years experience in accounting, financial management auditing.</p>
 <p>Eng. Anthony Wandu P.O BOX 17085- 00100 Nairobi</p>	<p><u>Date of birth:</u> 2nd December 1974</p> <p><u>Qualifications:</u> Bachelor of science civil engineering university of Nairobi</p> <p><u>Work experience:</u> Over 20 years of experience in Project management, structural design and supervision with various civil and engineering companies.</p>
 <p>Jacquiline Kendi Ithiria P.O BOX 1418 – 60200 Meru</p>	<p><u>Date of birth:</u> 26th October 1971</p> <p><u>Qualifications:</u> Bachelor Of Commerce (Human Resource Management Option) from Meru University Of Science & Technology. Diploma in Business Administration from Meru University of Science And Technology. Diploma in secretarial studies – St Marys Secretarial College</p> <p><u>Work experience</u> 20 yrs in secretarial 5 years in Human Resource</p>
 <p>Yvonne Achieng Murenga P.O Box 21046- 00100 Nairobi</p>	<p><u>Date of birth:</u> 11th Dec 1987</p> <p><u>Qualifications:</u> Bachelor Of Science In Information Technology Jomo Kenyatta University Of Science & Technology. (JKUAT) Diploma In Information Technology Jomo Kenyatta University Of Science & Technology. (JKUAT)</p> <p><u>Work experience</u> She is a senior ICT Officer- National Construction Authority. She has a working experience of 8 years in ICT systems Administration, network management, user support and training.</p>





NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

 <p>Kiplangat Cherono Nelly P.O Box 3622- 00100 Nairobi</p>	<p>Date of birth: 06th October 1990</p> <p>Qualifications: Master of Science in geospatial information systems and remote sensing Bachelor of Science in soil, water and environmental engineering Jomo Kenyatta University Of Science & Technology.</p> <p>Professional Qualification Area of specialisation: geospatial analysis, water engineering and environmental management.</p> <p>Work experience Lecturer for 2 years in water and environmental engineering and G15 and remote sensing.</p>
 <p>QS Jedida Waguthii Muchoki P.O BOX 75422- 00200 Nairobi</p>	<p>Date of birth: 18th Feb. 1979</p> <p>Qualifications: Masters of arts in construction management – ongoing at University of Nairobi. Bachelor Of Arts (Building Economics) University Of Nairobi</p> <p>Work experience Over 15 years in Project management, building and civil engineering law and management, cost planning and cost control, building design economics , housing and investment</p>
 <p>Mrs Josphine Wachiuri P.O BOX 4 10230 Sagana</p>	<p>Date of birth; 21st Dec. 1961</p> <p>Qualifications: Masters in Business Administration – Entrepreneurship option. Bachelor of Education (Kenyatta University)</p> <p>Work experience Class teacher – teaching Business / Economics – 6 years HOD – Department of Applied sciences & Creative arts– 9 years Deputy principal – 2 Years Principal – High school 2007- 2013 – 6 years Trainer – Entrepreneurship 2014 – 2018 -5 years Deputy Principal Ndia TVC – 2 years Acting Principal – Ndia TVC</p>

MANAGEMENT TEAM

Management report passport-size photo and name, and key profession/academic qualifications	Indicate the main area of responsibility – without details
	<p>Mr. Daniel Gichoya</p> <p>Ag Deputy Principal</p> <p><u>Qualifications</u> Degree in Electrical Engineering</p>
	<p>Mr. Alex Mwangi Muchiri</p> <ul style="list-style-type: none"> • Registrar • HOD Electrical & Electronics <p><u>Qualifications</u> Degree in Electrical and Electronics</p>
	<p>Mr. Geoffrey Maore Ngore</p> <ul style="list-style-type: none"> • Dean of students • P.C Co-ordinator <p><u>Qualifications</u></p> <ul style="list-style-type: none"> • Degree in Project Planning and management • Diploma in Technical Education (Electrical) • Diploma in Electronics engineering
	<p>Mr. Brian Nyakwanya Omare</p> <p>HOD Building & Civil Engineering</p> <p><u>Qualifications</u> Bachelor of Education in Building & Civil Engineering</p>
	<p>Mr. Moses Kinuthia Njoroge</p> <p>Ag H O D Automotive</p> <p><u>Qualifications</u> Degree in Mechanical Engineering</p>

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT TEAM	
Management report passport-size photo and name, and key profession/academic qualifications	Indicate the main area of responsibility – without details
	<p>Mrs. Emily M. Mwangi</p> <p>HOD Guidance & Counselling</p> <p><u>Qualifications</u> Post graduate diploma in Education</p>
	<p>Ms. Eunice N. Kimani</p> <p>Ag HOD Information and Communication Technology.</p> <p><u>Qualifications</u> Diploma in Technical Education. Diploma in Information Communication Technology</p>
	<p>Patricia W Maringa</p> <p>Finance Officer</p> <p><u>Qualifications</u> CPA Part II- Section IV KATC 1 & II</p>
	<p>Lucy Wambura Kabuitu</p> <p>Secretary</p> <p><u>Qualifications</u> Certificate in Secretarial</p>

CHAIRMAN'S STATEMENT

The first Board of Governors were inaugurated on 3rd March 2018. The board was given the noble mandate to strategically ensure that Ndia TVC would fulfil its mandate of training students in technical skills for employability and entrepreneurship abilities.

The board continues to be strategic in all its endeavours and in its term we have come up with strategic tools to enable achieve our goals.

Corporate governance provides the scale by which entities are weighed in performance world-wide. It is against this view that we have developed our first five (5) year strategic plan that will guide or give us direction of where we want to go as an institution.

The college has also entered into Performance Contract with the Ministry of Education for the 2nd time and the document has been negotiated and vetted awaiting signing by the Cabinet Secretary and the Board respectively.

The COVID-19 pandemic has affected the world over and Ndia TVC is no exception. Various COVID-19 recovery plans and programmes have been initiated and we are happy to inform that Ndia TVC is ready and prepared to reopen soonest possible.

NDIA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

REPORT OF THE PRINCIPAL

This Annual Report and Financial Statement runs from 30th June 2019 to 30th June 2020. This is the year when we registered the highest number of enrolment of our college. The population increased from a mere 75 to 120.

The enrolment increased was motivated by the National Government funding efforts through KUCCPS and HELB, our two main funders.

The County Government and the Constituency Development Fund (CDF) have played a major role to ensure the retention rate remains high.

This FY 2019-2020 also had its challenges and the greatest was the COVID-19 pandemic which forced the College to close indefinitely. The pandemic has slowed us in terms of population growth and also affected development projects.

Yet, we are optimistic that this challenge will be overcome as this is an international issue and the College is putting up all the COVID-19 recovery strategies to ensure that we are back on our feet soonest possible to fulfil our national mandate.

**NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020**

REVIEW OF NDIA TECHNICAL & VOCATIONAL COLLEGE 'S PERFORMACE FOR FY 2019/2020

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

Ndia TVC has seven strategic pillars and objectives within its Strategic Plan for the FY 2019/20- 2023/2024. These strategic pillars are as follows:

- Enhancement of access and equity
- Improve college visibility & corporate image
- Infrastructure development
- Enhance research and innovations.
- enhancement of human resource establishment and development
- enhance ICT integration in training & operations
- Enhanced collaboration, partnerships and linkages

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

Pillar no	Objective	K P I	Activities	Achievements
1	Enhancement of access and equity	No of market driven academic programme in place	Start CBET programmes	TVET CDACC programme in motor vehicle mechanic started
2	Improve college visibility & corporate image	No of trainees enrolled	Aggressively market the college programme through various mean Build a generator house Build booth and vehicle hoist shade	Enrolment increased by
3	Infrastructure development	No of infrastructures and equipments in place	develop online application where potential trainees can apply for courses	Bill of quantity sourced
4	Enhance research and innovations.	Research & innovation policy developed		Online application platform developed

5	enhancement of human resource establishment and development	Staff establishment in place	Carry out skills gaps analysis Carry out staffs training needs assessments Execute intervention programmes	PSC recruited staffs in areas where there was skills gap
6	enhance ICT integration in training & operations	Number and type of ICT equipment	Update antivirus softwares regularly Back up the college information	antivirus softwares regularly Updated college information Backed up
7	Enhanced collaboration, partnerships and linkages	No of industrial players who have collaborated with college	Collaborate with the players in the building industries where college trainees can be attached Collaborate with sagana health centre unit in promotion in attainment of UHC	MoU developed with identified key players in market

NDIA TECHNICAL AND VOCATIONAL COLLEGE
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FOR THE YEAR ENDED 30TH JUNE, 2020

CORPORATE GOVERNANCE STATEMENT

Ndia Technical & vocational College corporate objective is to provide Technical and Vocational Education and training for producing competent graduates that can develop rapidly in their specialized fields and are relevant in the global market

This will be done by using innovation, training and community outreach as prescribed by the mission statement and through the discovery, development and conversion of talent and natural resources, and the provision of innovative customer and market- focused academic programmes.

Corporate Governance Principles

In pursuit of the corporate objective, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary academic excellence within clear ethical standards, personal and corporate integrity and respect for others. The Board of governor governance role, basis and conduct of business are guided by the constitution of Kenya 2010, TVET act of 2012, Mwongozo Code, 2015.

It is our view that governance is not just a matter for the board; a good governance culture must be percolated through the institution system. The current social-economic, business and political environment in which the institution operates underscores the need for continued high standards of corporate governance and accountability. The emerging realities unmasked with the promulgation and implementation of the 2010 constitution, an enlarged space for expression and a more enlightened clientele, calls for diligence in governance.

Size and composition of the board

The board consists of eight board members who possess extensive experience in a variety of disciplines all of which are applied in the overall management of the institute. The board has the right balance of skills and experience appropriate for the requirements of the institute, all members participated in the decision making and that the board operated effectively throughout the year and continues to do so. In compliance with the constitution in the board composition in terms of males and female board members was 33% and 67% respectively

Board meetings

The College Board meets once in a quarter unless urgent matters call for a special meeting. These regular meetings are intended to receive reports from the committees of Board that will have considered the matters in detail. Members receive adequate notice in advance to enable them review and prepare for the meeting.

During the year, the board held a total of (8) meetings.

Board meetings and attendance

The College Board has established two standing committees that assist it to discharge its functions. These committees are:

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

Finance & audit committee

The committee is established to critically scrutinize the budgets and other financial statements before they are presented to the full board. It oversees the Institute's financial affairs on behalf of Board; develops strategies to guide the growth of the College and monitors its implementation

Name of the Committee	Members
Finance and Audit Committee	Mr Michael G Maringa Eng. Anthony G Wandu Ms Nelly C Kiplangat

Governance & ethics committee

The committee was established to ensure the college delivers its core mandate of skills the and knowledge transfer. The committee also oversees promotion of innovation and good practice in administration, monitoring and evaluation of internal & external examination across the Institute. Specifically, the committee is required to do the following:

- Receive and consider reports from the academic Committee and to transmit such reports to the Board;
- Advise the board on budgetary allocation on academic & research funds and their effective administration for the support the projected of activities; and
- Monitor the current academic, research activities to ensure that such activities embrace and reflect the Institute's strategic vision and mission.

Name of the Committee	Members
Governance and Ethics Committee	Ms.Jedida W Muchoki Ms. Jacqueline Kendi Ithiria Yvonne Achieng Murenga

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The PFM act of 2012 requires that the BoG to prepare financial statement for 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 includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- ii. Maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the college.
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material 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.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Ndia TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Social pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

Innovation and technology- the college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

Collaboration – the college maintained a Good cooperation and active collaboration with various stakeholders which included various entities, TVET institutions working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge was done through MT Kenya TVET fair held at Kerugoya Stadium where the institute show cased its innovation.

Knowledge management – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base. Processes- Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

Purchase- the college had a good Relationship with suppliers focusing also on sustainability.

Sustainability reporting – the college maintained Considerable reporting of sustainability issues within the board meeting reports.

2. Environmental performance

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts,

Emissions into the air- The College does not emit any air pollution as its core mandate is training not manufacturing.

Emissions into the water - The College does not emit any water pollution.

Emissions into the ground - The College does not emit any ground pollution

Waste and hazardous waste- Waste and hazardous waste due to corporate activities are controlled, managed and properly disposed by adhering to manufacturing guidelines

Employee welfare

Corporate governance: Transparency in all its activities in order to ameliorate relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance

Staff Motivation and incentives – This is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management is in the process of developing and implementing an incentives and reward systems (monetary and non-monetary).

Health and safety – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported. The college has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

Human capital development - Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability

Market place practices-

- a) Responsible competition practice.
The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence
- b) Responsible Supply chain and supplier relations-
The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers
- c) Responsible marketing and advertisement
The college carries out normal marketing through media and organized talks.
- d) Product stewardship.
Trainees trained in Ndia Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Ndia Technical and Vocational College is committed to offering the best and top quality training.

Community Engagements-

The college did not have much on corporate social responsibilities because it is only three years old and still struggling financially and relying 100% on government funding. But in the year under review, the college visited secondary schools within the Ndia region to guide the on career choices

REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activity of the 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 provide quality skills using sustainable and innovative technology.

Results

The results of the college for the year ended June 30, 2020 are set out on page 1, 2, 3, 4 & 15

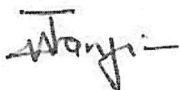
Board of Governors

The members of the Board of governor who served during the year are shown on page 4 & 5. During the year 2020, Mr Benjamin Muchiri retired as the principal in the month of June and Madam Josephine Wachiuri was appointed with immediate effect 4th of June, 2020.

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 of the college for the year ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By order of the board



.....
BoG secretary
Ndia TVC

STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of the college, which give a true and fair view of the state of affairs of the college at the end of the financial year and the operating results of the college for that year. The board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The board members are also responsible for safeguarding the assets of the college.

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes:

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

The board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2020, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The college's financial statements were approved by the Board on 30th June 2020 and signed on its behalf by:



.....
Chairperson of the Board

.....
Principal

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Ndia Technical and Vocational College set out on pages 1 to 16, which comprise the statement of financial position as at 30 June, 2020, 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 the Ndia Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and 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. Long Outstanding Receipts in Bank Not in the Cashbook

The statement of financial position reflects an amount of Kshs.3,186,244 and as disclosed in Note 14 to the financial statements in respect of cash and cash equivalents. However, bank reconciliation statement reflects a balance of Kshs.602,611 being long outstanding receipts in bank not recorded in the cashbook therefore understating the cash and cash equivalent as at 30 June, 2020 by the same amount.

In the circumstances, the accuracy and completeness of the cash and cash equivalents amounting to Kshs.3,186,244 could not be ascertained.

2. Lack of Fixed Assets Valuation Records

As reported in the previous year, Section (a) on "key college information and management" at page ii of the financial statements for the year under review indicates that the College was equipped by the Government with automotive engineering machines, training equipment, computers and furniture. However, the financial statements do not reflect any fixed assets as at 30 June, 2020 contrary to Section 88(a) of the International Public Sector Accounting Standards (IPSAS) which requires the information to be presented on the face of financial statements to have a minimum line item that should include property, plant and

equipment. In addition, records availed for audit showed that the land hosting the College is approximately five (5) acres. However, valuation and ownership documents for the said assets were not availed for audit.

In the circumstances, the completeness, ownership and valuation of the College's fixed assets could not be ascertained. In addition, the College is in breach of the IPSAS 17.

3. Accuracy of the Statement of Changes in Net Assets

The statement of changes in net assets reflects an amount of Kshs.2,951,453 in respect to total reserves as at 30 June, 2020 comprising of Kshs.2,951,453 and nil balance in respect to retained earnings and capital fund respectively. However, Note 1 to the financial statements reflects an amount of Kshs.2,190,000 in respect to capital grant from the National Government during the year under review and which is a capital fund resulting to an unexplained variance of the same amount.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

4. Accuracy of the Statement of Cash Flows

The statement of cash flows reflects nil balance in respect to changes in working capital. However, the statement of financial position reflects an amount of Kshs.83,242 and Kshs.81,429 in respect of increase in receivables from exchange transactions and increase in payables from exchange transactions and which should have been included in the statement of cash flows as items in the changes in working capital shown below:

	2018/2019 Financial Statements (Kshs.)	2019/2020 Financial Statements (Kshs.)	Variance (Kshs.)
Receivables from Exchange Transactions	581,078	664,320	83,242
Payables from Exchange Transactions	817,682	899,111	81,429

In the circumstances, the accuracy of the statement of cashflows for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ndia 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 other key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.13,700,000 and Kshs.7,140,459, respectively resulting to an under-funding of Kshs. 6,559,541 or 48% of the budget. Similarly, the College expended Kshs.6,694,947 against an approved budget of Kshs.13,700,000 resulting to an under-expenditure of Kshs.7,005,053 or 51% of the budget.

The underfunding and underperformance 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 matters discussed in the Basis for Conclusion 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

1. Director's Fees

1.1 Non Gazettement of Board of Directors

As disclosed in Note 11 to the financial statements, the statement of financial performance reflects an amount of Kshs.762,500 in respect of remuneration of directors. The following issues were noted:-

- i. Records provided for audit reflects that seven (7) Board members though issued with appointment letters, had not been gazetted contrary to Section 11 of Chapter 1 of Mwingozo code of governance for state corporations issued in January, 2015 which require each Board member to be appointed formally through a gazette notice and thereafter an appointment letter.
- ii. Further, the Board calendar and annual work plan was not provided for audit contrary to Section 1.9 of Chapter 1 of Mwingozo code of governance for state corporations issued in January, 2015 which requires board members to ensure development of an annual board workplan.
- iii. Documents submitted for audit including board minutes revealed that the board did not conduct an evaluation of its performance for the financial year 2019/2020 contrary to Paragraph 1.12 of Chapter 1 of Mwingozo code of governance for state corporations issued in January, 2015 which stipulates that the Board shall determine the Board performance criteria and undertake an annual evaluation of its performance.

In the circumstances, the College is in breach of the law.

2. Lack of Approved Staff Establishment

Note 10 to the financial statements reflects an amount of Kshs.1,786,734 in respect to employee costs. However, analysis of the College's human resource function revealed that the College had twenty-one (21) employees as at the end of the financial year.

The College however does not have an approved staff establishment contrary to the Ministry of Education: State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 on staff establishment and justification for Technical and Vocational Education and Training (TVET) Institutions, which requires the institutions to develop a staff establishment with, clear justifications for consideration and approval by the Public Service Commission.

In the circumstances, the College is in breach of the Law.

3. Presentation of Financial Statements

The College's financial statements submitted for audit reflects the following anomalies:

- i) The College did not indicate the Certified Public Accountants of Kenya (ICPAK) membership number of the finance officer at page 2 to the financial statements contrary to the Public Sector Accounting Standards Board (PSASB) template issued in June, 2020.
- ii) The financial statements balances are reported in decimals contrary to the best accounting practices that require figures to be rounded off to the nearest shilling.
- iii) The report of board of governors at page xviii to the financial statements indicates that "the board of governors who served during the year are shown at page 4 and 5". However, the College's financial statements reflect the said information at pages' v and vi.

In the circumstances, the College's financial statements are not prepared in accordance with the PSASB prescribed format.

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 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 overall governance were not effective.

Basis for Conclusion

Lack of Internal Audit Department

Ndia Technical and Vocational College had not established an internal audit unit as at 30 June, 2020 as required by Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. The internal audit unit would have performed various roles stipulated by Section 73(3) of the Public Finance Management Act, 2012 including risk assessment, putting in place a risk register and assessing the internal controls mechanism. Therefore, the risks may have remained unidentified hence no mitigation policies are in place.

In the circumstances, the College is 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 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 (Accruals Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020

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

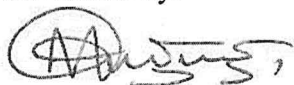
	Notes	2019 - 2020	2018 - 2019
		Kshs	Kshs
Revenue from non-exchange transactions			
GoK Grants	6	1,440,834.00	2,000,000.00
Capitation	7	2,190,000.00	0.00
Revenue from exchange transactions			
Rendering of services- Fees from students	8	3,509,625.00	3,674,775.00
<u>Total revenue</u>		<u>7,140,459.00</u>	<u>5,674,775.00</u>
Expenses			
Use of goods and services	9	1,116,815.00	232,317.00
Employee costs	10	1,786,733.00	1,414,805.00
Directors Remunerations	11	762,500.00	430,000.00
Repairs and maintenance	12	214,778.00	36,164.00
General expenses	13	2,814,121.00	1,470,058.00
<u>Total expenses</u>		<u>6,694,947.00</u>	<u>3,583,344.00</u>
Net Surplus for the year		<u>445,512.00</u>	<u>2,091,431.00</u>

The notes set out on pages 6 to 16 form an integral part of the Annual Financial Statements.

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020
V. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

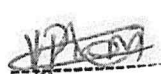
	Notes	2019 - 2020	2018 - 2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	3,186,244.00	2,742,545.00
Receivables from exchange transactions	15	664,320.00	581,078.00
		3,850,564.00	3,323,623.00
Total assets			
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	16	899,111.00	817,682.00
Total liabilities		899,111.00	817,682.00
Net assets		2,951,453.00	2,505,941.00
Retained Earnings		2,951,453.00	2,505,941.00
Total net assets and liabilities		2,951,453.00	2,505,941.00

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



Chairman of Board/Board of Governors

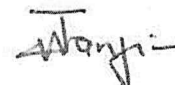
Date...25/9/2020.....



Finance Officer

ICPAK No

Date...25/9/2020...



Principal

Date. 25/9/2020

NDIA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

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

	Retained earnings	Capital/ Development Grants/Fund	Total
Balance b/f at July 1, 2018	414,510.00	0.00	414,510.00
Revaluation gain			
Fair value adjustment on quoted investments			
Total comprehensive income	2,091,431.00	0.00	2,091,431.00
Capital/Development grants received during the year			
Transfer of depreciation/amortization from capital fund to retained earnings			
Balance c/d as at June 30, 2019	2,505,941.00	0.00	2,505,941.00
Balance b/f as at July 1, 2019	2,505,941.00	0.00	2,505,941.00
Total comprehensive income	445,512.00	0.00	445,512.00
Capital/Development grants received during the year			
Transfer of depreciation from capital fund to retained earnings	0.00	0.00	0.00
Balance c/d as at June 30, 2020	2,951,453.00	0.00	2,951,453.00

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

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

		2019 - 2020	2018 - 2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
GoK Grants	6	1,440,834.00	2,000,000.00
Capitation	7	2,190,000.00	
Rendering of services- Fees from students	8	3,509,625.00	3,674,775.00
Total Receipts		<u>7,140,459.00</u>	<u>5,674,775.00</u>
Payments			
Compensation of employees	10	1,786,733.00	1,414,805.00
Use of goods and services	9	1,116,815.00	232,317.00
Other payments	17	3,791,399.00	1,936,222.00
Total Payments		<u>6,694,947.00</u>	<u>3,583,334.00</u>
Surplus		<u>445,512.00</u>	<u>2,091,431.00</u>
Net cash flows from operating activities	18	<u>443,699.00</u>	<u>2,328,035.00</u>
cash flow from investing activities		0.00	0.00
cash flow from financing activities		0.00	0.00
Net increase in cash and cash equivalent		<u>443,699.00</u>	<u>2,328,035.00</u>
Cash and cash equivalents at 1 July 2019		2,742,545.00	414,510.00
Cash and cash equivalents at 30 June 2020		<u>3,186,244.00</u>	<u>2,742,545.00</u>

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

	Original budget	Adjustments	Final budget	actual on comparable basis	Performance difference
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
Revenue					
GoK Grants	0.00	0.00	0.00	1,440,834.00	1,440,834.00
Capitation	0.00	0.00	0.00	2,190,000.00	2,190,000.00
Rendering of services	13,700,000.00	0.00	13,700,000.00	3,509,625.00	(10,190,375.00)
Total income	13,700,000.00	0.00	13,700,000.00	7,140,459.00	
Expenses					
Compensation of employees	1,440,000.00	0.00	1,440,000.00	1,786,733.00	(346,733.00)
Goods and services	7,200,000.00	0.00	7,200,000.00	1,116,815.00	(6,083,185.00)
Other payments	5,060,000.00	0.00	5,060,000.00	3,791,399.00	(1,268,601.00)
Total expenditure	13,700,000.00	0.00	13,700,000.00	6,694,947.00	
Surplus for the period				445,512.00	

Budget Notes

(a) Revenue

The college had prepared a budget based on 240 students which would have been achieved based on growth trend in quarter1 and quarter 3 of the 2019/20 financial year. However, due to COVID 19 pandemic and temporal closure of all learning institutions, the college was not able to achieve the target as its major intake is in month of May.

By March2020, the population had grown to 177 and deficit of 63 students could have been achieved in quarter 4 were it not for the effects of the COVID 19.

(b) Expenditure

The college failed to achieve its budget funding due to low enrolment as result of the affects of the COVID 19 pandemic. This resulted to postponement of some of projected activities factored in the budget to the 2020/2021 budget.

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

IX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ndia Technical & Vocational College is established by and derives its authority and accountability from Education Act. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is vocational training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to the current year.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i.) **Relevant new standards and amendments to published standards effective for the year ended 30 June 2019**

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

NDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</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 a College's future cash flows.</p> <p>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 a College'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 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College 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> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the College; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the College's financial performance, financial position and cash flows.

iii) Early adoption of standards

The College did not early – adopt any new or amended standards in year 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the College and can be measured reliably. 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 College 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.

b) Budget Information

The original budget for FY 2018/2019 was approved by the Board or Board on **30th June 2019**

The College budget is prepared on cash basis different 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.

c) 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Inventories

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

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

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

e) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements.

f) Related Parties

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

g) Cash and Cash Equivalents

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

h) Comparative figures

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

i) 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, 2020.

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its

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assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the College
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions 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.

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES (OPERATIONAL GRANT)

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Unconditional grants		
Operational grant	1,440,834.00	2,000,000.00
Total government grants and subsidies	1,440,834.00	2,000,000.00

7. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES (CAPITATION)

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Capitation	2,190,000.00	0.00
Total government grants and subsidies	2,190,000.00	0.00

8. RENDERING OF SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
S.E.S/tuition	1,440,802.00	1,140,659.00
P.Emolument	285,853.00	480,121.00
L. T & T	148,332.00	226,747.00
E.W.C	172,264.00	259,034.00
R M I	77,298.00	141,247.00
Activity	25,350.00	52,570.00
Administration	257,388.00	276,652.00

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Computer maintenance	34,640.00	44,200.00
Student welfare	24,180.00	41,550.00
Casuals	85,670.00	108,503.00
Attachment	18,260.00	13,050.00
Practical	123,351.00	189,023.00
Insurance	16,520.00	21,700.00
K N E C	759,717.00	679,719.00
Student college id	21,500.00	0.00
T shirt	18,500.00	0.00
	3,509,625.00	3,674,775.00

9. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
S.E.S/Tuition	509,025.00	232,317.00
Practical	302,040.00	0.00
KNEC	305,750.00	0.00
Total good and services	1,116,815.00	232,317.00

10. EMPLOYEE COSTS

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Salary	1,666,904.80	1,414,805.00
Wages	119,829.00	0.00
Employee costs	1,786,733.80	1,414,805.00

11. Remuneration of directors

	2019 - 2020	2018 - 2019
	Kshs	Kshs
BoGs allowances	615,500.00	430,000.00
Other allowances	147,000.00	0.00
Total emoluments	762,500.00	430,000.00

12. REPAIRS AND MAINTENANCE

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Property	214,778.00	36,164.00
Total repairs and maintenance	214,778.00	36,164.00

13. GENERAL EXPENSES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
E.W.C	58,405.00	24,333.00
L. T & T	390,810.00	245,368.00
Administration	1,124,406.00	511,810.00
Insurance	4,500.00	700.00
Contracted Services	62,500.00	0.00
Capitation	1,173,500.00	0.00

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Activity	0.00	1,130.00
Computer Maintenance	0.00	1,400.00
Student Welfare	0.00	980.00
Practical	0.00	11,267.00
K N E C	0.00	148,070.00
Audit Fees	0.00	525,000.00
Total	2,814,121.00	1,470,058.00

14. (a) CASH AND CASH EQUIVALENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Cash at hand	51,848.00	0.00
Current account	3,134,396.00	2,742,545.00
Total cash and cash equivalents	3,186,244.00	2,742,545.00

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

Financial institution	Account number	2019 - 2020	2018 - 2019
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1222475065	3,134,396.00	2,742,545.00
Sub- total		3,134,396.00	2,742,545.00
b)			
Cash in hand		51,848.00	0.00
Sub- total		51,848.00	0.00
Grand total		3,186,244.00	2,742,545.00

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Current receivables		
Fees Arrears	440,490.00	581,078.00
Exams Arrears	203,830.00	0.00
Salary Advance	20,000.00	0.00
Total receivables	664,320.00	581,078.00

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Prepaid fees	327,654.00	152,583.00
Audit fees	525,000.00	525,000.00
Employees cost	0.00	140,099.00
Prepaid exams fees	46,457.00	0.00
Total trade and other payables	899,111.00	817,682.00

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17. OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Directors Remunerations	762,500.00	0.00
Repairs and maintenance	214,778.00	0.00
General expenses	2,814,121.00	0.00
Totals Total Payment	<u>3,791,399.00</u>	<u>0.00</u>

18. CASH GENERATED FROM OPERATIONS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Surplus for the year	<u>445,512.00</u>	<u>2,091,431.00</u>
Working Capital Adjustments		
(add/less) increase/decrease in payables	(83,242.00)	817,682.00
(less/add) increase/decrease in the receivables	81,429.00	(581,078.00)
	<u>443,699.00</u>	<u>2,328,035.00</u>

1. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

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

2. EVENTS AFTER THE REPORTING PERIOD

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

3. ULTIMATE AND HOLDING COLLEGE

The college is a technical vocational college under the Ministry of education its ultimate parent is the Government of Kenya.

4. CURRENCY

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

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APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

APPENDIX II: PROJECTS IMPLEMENTED BY THE COLLEGE

Projects

Projects implemented by the college Funded by development partners

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

Status of Projects Completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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APPENDIX III: INTER-COLLEGE TRANSFERS

College NAME:				
Break down of Transfers from the State Department of Technical & vocational Training				
FY 2019/20				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		27/4/2020	1,000,000.00	2019/2020
		27/4/2020	440,834.00	2019/2020
		Total	<u>1,440,834.00</u>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	<u>0.00</u>	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Capitation	27/5/2020	862,500.00	2019/2020
		18/10/2019	727,500.00	2019/2020
		10/7/2019	600,000.00	2019/2020
		Total	<u>2,190,000.000</u>	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total	<u>0.00</u>	

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

Finance Officer
 Ndia Technical & vocational college



Sign -----

Principal /Sec BoG



Sign-----

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

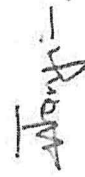
APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Others - must be specific	Total Transfers during the Year
				Statement of Financial Performance Revenue from non exchange of transactions	Statement of Financial Performance Revenue from exchange of transactions	Deferred Income	Receivables		
Ministry of Education	27/4/2020	Recurrent	1,000,000.00	1,000,000.00					
	27/4/2020		440,834.00	440,834.00					
			1,440,834.00	1,440,834.00					
Ministry of Education	27/5/2020	Capitation	862,500.00		862,500.00				
	18/10/2019		727,500.00		727,500.00				
	10/7/2019		600,000.00		600,000.00				
			2,190,000.000		2,190,000.00				
Total			3,630,834.00	1,440,834.00	2,190,000.00				

Director General/C.E.O/M.D
 Chairman of the Board
 Michael Maringa Gitari



Principal/Secretary BOG
 Josephine W. Wachiuri



Date. 25/9/2020.....

Date 25/9/2020

