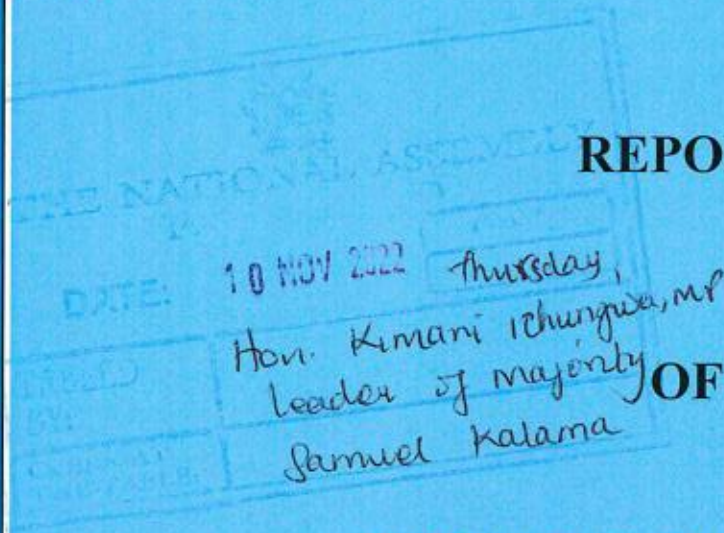


REPUBLIC OF KENYA



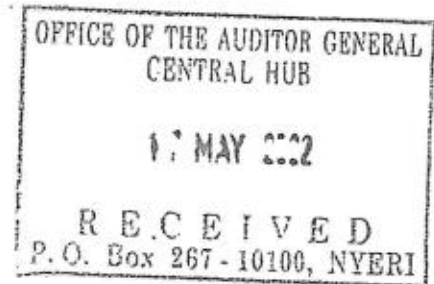
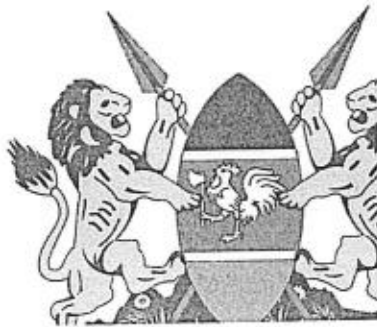
REPORT

THE AUDITOR-GENERAL

ON

**NDIA TECHNICAL AND VOCATIONAL
COLLEGE**

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



**International Public Sector Accounting Standards (IPSAS)
Annual Financial Report**

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2021

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

NDIA TECHNICAL & VOCATIONAL COLLEGE
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I. KEY COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Ndia Technical & vocational College is a TVET institution located at Ndia Sub County in Kirinyaga County. The college has been operation since January, 2018 and has had tremendous growth of trainees' population over the years.

Ndia TVC aspires to position itself as an institution of first choice in the training of highly skilled, world class technical trainees. It also aspires to equip its trainees with sufficient and relevant entrepreneurial skills so as to prepare them to play their role towards wealth and employment creation in the country.

The government through the Ministry of Education has strengthened the focus of Science, Engineering and Technology (SET), research and Innovations, industrial linkages, collaborations and partnerships' and TVET policies as underlying the country's national development efforts.

(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.
- ix) Diploma in electrical engineering

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) Artisan Courses in Hairdressing and Beauty Therapy.

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

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(a) Vision

To be a global center of excellence in technical and vocational training

(b) Mission

To provide quality training skills and competence using sustainable and innovative technology

(c) The core values

- Transparency and accountability
- Quality service
- Creativity and innovation
- Team work
- Efficiency and effectiveness

(c) Key Management

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

- (i) Board of Governor
- (ii) Accounting officer/ Principal
- (iii) Heads of departments
- (iv) Heads of section

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Ms Josphine Wachiuri
2.	Deputy principal	Mr. Joseph M Kimathi
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. Isaac Kariuki

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

- Establish Internal Audit Functions
- Formulate whistle blowing Policy in the College
- Formulate and Review of OHS Policy
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms

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- Enhance Security of the Institution
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized
- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

Finance and human resource

- Resource Mobilization
- Prepare Annual Procurement Plan
- Prepare Annual Budget
- Discus Quarterly Financial Report
- Establish Internal Financial Control Systems
- Ensure adherence to Procurement Act and Regulations
- Final Financial Accounts
- Human Resource Management
- In Charge of Assets Management
- Formulation of Policies
- Infrastructural Development and Maintenances
- Adherence to Principles of Governance
- Development of Organizational Structure
- Establishment of Key Management Committees
- Strategic Planning
- Monitoring and Evaluation
- Ensure that external audit of financial statement is completed and submitted in time

Academic committee activities

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programmes
- Determination of Resources:
 - Human Resource
 - Teaching/Learning Materials
- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs
- In Charge of Graduations and Academic Awards

NDIA TECHNICAL & VOCATIONAL COLLEGE
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(f) College Headquarters

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

(g) College Contacts

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

(h) College Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Kenya Commercial Bank
Muranga Branch

(i) Independent Auditors





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

(j) Principal Legal Adviser

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




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II. THE BOARD OF GOVERNORS

No.	Member/ Director	Details
1	 <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>
2	 <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>
3	 <p>Alice njuguini</p>	<p><u>Date of birth:</u> 16th Dec 1990</p> <p><u>Qualifications:</u> Bachelor of land scape architecture(Jomo Kenyatta university) Architectural Association Of Kenya(Aak)</p> <p><u>Work experience</u> Ng-Cdf Ndia Ministry Of Transport ,Roads And Public Works Design Solutions Hurlungam</p>
4	 <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>






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5	 <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 GIS and remote sensing.</p>
7	 <p>Thomas Maganjo</p>	<p>Date of birth: 1978</p> <p>Qualifications: Bachelor Of business administration, finance option(first class honours) Diploma In project management CPA 11 SEC 4</p> <p>Work experience Accountant: tropical products international ltd 1999-2001(3 yrs) Accountant: miles management cons 2001 -2003(2 yrs) manager: mwirua farmers cooperative society ltd 2003- 2014 (10yrs) Accountant: EGO manufacturers & distributors ltd 2014- 2016 2yrs manager : Kenya red cross society 2017—(5yrs)</p>
8	 <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 Principal – Ndia TVC 2 years</p>

NDIA TECHNICAL & VOCATIONAL COLLEGE
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III. MANAGEMENT TEAM

No.	Member	Details
1		<p>Mrs Josphine Wachiuri</p> <p>Principal</p> <p><u>Qualification</u> Masters in Business Administration – Entrepreneurship option. Bachelor of Education (Kenyatta University)</p>
2		<p>Mr Joseph Mngundu Kimathi</p> <p>Deputy Principal;</p> <p><u>Qualification</u> Master Of Education Leadership And Administration Management (Med). Bachelor Of Education (Home science and Technology)</p>
3		<p>Isaac Kariuki Kamau</p> <p>Registrar</p> <p><u>Qualification</u> Bachelor Of Science In Mechatronics Engineering 2 Years' Experience</p>
4		<p>Mr. Alex Mwangi Muchiri</p> <p>HOD Electrical & Electronics</p> <p><u>Qualifications</u> Degree in Electrical and Electronics</p>
5		<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

NDIA TECHNICAL & VOCATIONAL COLLEGE
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6		<p>Mr. kiburi</p> <p>HOD Building & Civil Engineering</p> <p><u>Qualifications</u> Bachelor of Education in Building & Civil Engineering</p>
7		<p>Mr. Moses Kinuthia Njoroge</p> <p>Ag H O D Automotive</p> <p><u>Qualifications</u> Degree in Mechanical Engineering</p>
8		<p>Mrs. Emily M. Mwangi</p> <p>HOD Guidance & Counselling</p> <p><u>Qualifications</u> Post graduate diploma in Education</p>
9		<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>
10		<p>Patricia W Maringa</p> <p>Finance Officer</p> <p><u>Qualifications</u> CPA Part II- Section IV KATC 1 & II</p>

NDIA TECHNICAL & VOCATIONAL COLLEGE
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11		Lucy Wambura Kabuitu Secretary <u>Qualifications</u> Certificate in Secretarial
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

IV. CHAIRMAN'S STATEMENT

It is my pleasure to present Ndia Technical & Vocational College Annual Financial Statements for the financial year ended 30th June, 2021. The College Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The College continues to offer quality programmes that are market-driven and meet the demands of the market. The Board endeavours to work with the industry and other strategic partners and stakeholders in order to provide facilities to meet the challenges the College is facing.

There has been a steady increase in student population and expansion of the academic programmes, which has exerted a lot of pressure on the existing facilities, thereby necessitating the need for putting up more training facilities. The Board in collaboration with the relevant stakeholders is committed towards delivering the same.

During the financial year 2020/2021, the College embarked on various projects among them;

- a) Initiated the process of acquiring the ownership of the land where the college is built.
- b) Rehabilitating and upgrading Tuition Block previously occupied by Gacharu Youth Poly.
- c) Construction of the generator house, shade for the outdoor vehicle hoist & spray booth and security house and isolation room
- d) Increased water supply and distribution in college
- e) Acquired additional furnishers for the trainees and trainers
- f) Levelled and gravelling the road from the gate to car park and the entrance to the administration block

The College introduced the NITA programmes, which are geared to support the government's push for the competence-based curriculum.

College has faced numerous challenges attributed to:

- a) Covid 19 pandemic has disrupted the normal academic yearly calendar. This created uncertain business environment and stagnated trainee population growth due to postponement of the major admission seasons.
- b) The GoK released the 4th quarter grants late in the month of June which was already factored in the 2020/21 financial year budget. This resulted to underfunding of the college budget and downsizing of the core mandate budgets.

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- b) The GoK released the 4th quarter grants late in the month of June which was already factored in the 2020/21 financial year budget. This resulted to underfunding of the college budget and downsizing of the core mandate budgets.

We continued with the measures of setting up of management and governance structures that reflect College status. During the year, the College first BoG expired and new Board members were appointed. Inauguration was done, Board committees constituted and the induction will be done in next financial year.

I thank the government for its financial support so far that has made it possible to implement the NTVC functions and programmes.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

Mr. Michael Maringa Gitari



Chair Board of Governor.

NDIA TECHNICAL & VOCATIONAL COLLEGE

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

V. REPORT OF THE PRINCIPAL

I am pleased to present the Annual report and Financial Statements of Ndia Technical & Vocational College for the financial year ended 30th June, 2021. Ndia Technical & Vocational College is an academic institution committed in generating and transmitting knowledge, skills and right attitudes through Technical, Innovation and vocational for self-reliance of our trainees and bridge the skill gap in the market.

Academic and Student affairs

During the financial year under review, the College has remained on course. The main focus of which has been quality, relevance, access and sustainability intended to consolidate and reshape the College with a view to living up to College of choice in the country. College had her admissions for the 2020/2021 in January 2021 and May 2021 in the following academic programme.

S no	programme	January, 2021	May 2021
1	Automotive	12	6
2	Electrical	9	4
3	ICT	3	3
4	Hair Dressing & Beauty	2	1
5	Building & Civil Engineering	26	7

College had only one KNEC examination sitting within the financial year due to Covid 19 pandemic that destabilised the normal academic calendar. Our trainees performed exceptionally well as per the data below.

s no	programme	Entry	pass	Refer	fail	CRNM	%Pass
1	Automotive	37	13	17	5	2	39.1
2	Electrical	6	4	0	1	1	62.5
3	ICT	0	0	0	0	0	0
4	Hair Dressing & Beauty	0	0	0	0	0	0
5	Building & Civil Engineering	20	7	13	0	0	48.2

The College also embarked on rationalization of structures and realigning Academic Programmes in order to focus on our niche. At the start of 2020/2021 academic year which fell in 2020/2021 financial year, the College introduced the Technical NITA courses, which are geared towards supporting the government's push for the competence-based curriculum and the government's Big 4 agenda. When fully implemented; this will see the College supplement her internally generated incomes in future. Special appreciation goes to all the students who have chosen Ndia Technical & Vocational College as their place

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of study and it will continue offering market-driven academic programmes for industrial and socio-economic growth.

Students Welfare

Ndia Technical & Vocational College continued to support the welfare of her main stakeholders (students) to enhance their academic environment in the spirit of producing holistic graduates.

One of the greatest challenges in the management of students' welfare is the large number of brilliant students from very humble backgrounds. In order to increase the completion rate and to reduce incidences of dropping out due to lack of fees, the College facilitated the disbursement of HELB Loan/ bursaries and NG CDF to students.

The college also supported the trainees who participated in KATTI regional athletics and ball games by providing them with upkeep for the number of days they were in attendance. The college emerged one of the institutions with the best teams in the Mt Kenya KATTI region.

Collaborations and linkages

During the period the College developed memoranda of understanding (MoUs) manual which will be used as a guiding document as it enters into collaborations with different organizations in future.

Ndia Technical & Vocational College also engaged in linkages with several public and private organizations to enable linking industry with academics for the benefit of the trainees and the industries.

Administration, Planning and Finance College Infrastructure

Ndia Technical & Vocational College initiated various projects geared towards achieving its objectives. These include but not limited to;

- a) Initiated the process of acquiring the ownership of the land where the college is built
- b) Rehabilitating and upgrading Tuition Block previously occupied by Gacharu Youth Poly.
- c) Construction of the generator house, shade for the outdoor vehicle hoist & spray booth and security house and isolation room
- d) Increased water supply and distribution in college
- e) Installed water dispensing at the gate
- f) Acquired additional furnishers for the trainees and trainers
- g) Levelled and gravelling the road from the gate to car park and the entrance to the administration block

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Administration and Staffing

I am humbled to convey my appreciation and gratitude to the College Board and all the members of staff for their support, commitment and dedication to their work and their efforts that have seen Ndia TVC move towards attaining its vision.

During the financial year, Ndia TVC received additional staffs from Public Service Commission based on the skilled gap and training need assessment. The remaining deficit has been filled by recruiting additional trainers under the BoG terms. In order to remain on course and continue executing the core mandate of the College, more thematic leaders were appointed from the pool of its competent staffs. The College also ensured continued implementation of the 2020-2022 strategic plan.

Financial Sustainability

During the financial year, the College put in place the necessary financial, procurement and internal control measures on resource utilization to ensure that it meets the targets of revenue collection and cost control measures. I express my sincere gratitude to the Government of Kenya and in particular the State Department of Technical & Vocational Training for funding the College through trainees' capitation and operational grants at KShs. 4,575,000.00 and KShs. 2,000,000.00 respectively.

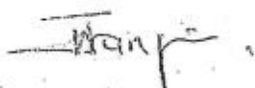
Despite the many challenges the College has faced, I am glad to report that the College has managed to stay afloat financially.

Service Delivery and Vision 2030

In order to continue providing quality education and services, the Quality Assurance Department was introduced and officers appointed and have come up with various evaluation tools. Ndia TVC has cascaded service delivery charter to the departmental levels and placed it in strategies to monitor its implementation. This has enhanced quality and efficient service delivery.

Finally, I thank the Government of Kenya, the local community, donor agencies, our bankers, suppliers and service providers for their support and cooperation.

Mrs. Josphine W. Wachiuri



Principal/Secretary of the board

VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Ndia TVC has eight strategic pillars and objectives within its Strategic Plan for the FY 2020/2021- 2022/2024. These strategic pillars are as follows:

Pillar 1: Access and Equity

Pillar 2: Institutional Corporate Governance/Management

Pillar 3: Ict (Equipment and Technology)

Pillar 4: Research and Innovation

Pillar 5: Financial resources

Pillar 6: Publicity of the College

Pillar 7: Collaboration and Linkages

Pillar 8: Infrastructure Development

Ndia TVC developed its annual work plans based on the above eight pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and a final report done at the close of the financial year. The college achieved its performance targets set for the FY 2020/2021 period for its eight strategic pillars, as indicated in the diagram below:

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Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	access and equity	to diversify training programmes intensify sponsorship & collaborations	No. of students enrolled No. of programmes launched No. of sponsors and collaborations	Introduced two new learning programmes and applied for registration - Develop MOU source for sponsors and firms to collaborate with	Increased enrolment of trainees from 117 To 194 NITA programme introduced MOU developed and adopted by the BoG
2:	Institutional ,Corporate Governance /Management	Improve Institutional corporate governance/Management	Organisational structure, institute management policy Functional expanded departmental offices additional department heads appointed	Establish institutional policies, strategies and programmes that are responsive to effective governance and management of Ndia TVC appoint quality assurance officer create a quality assurance office	established 4 policies in the year: -gender main streaming -disability mainstreaming policy -human resource manual -academic policy quality assurance officer appointed an office created for the quality assurance officer
3:	ICT	Promote effective application of ICT	Upgraded the college website online training/learning application increased internet broadband and WIFI	-specification of the college website -quotations raised from the list of the prequalified supplies and other vendors -development of online training/learning module -Increase internet broadband to 5MPBS -increase the WIFI points	active & interactive website in place online training /learning modules in place internet increased to 5MPBS increased WIFI links from 1 to 2

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4:	Research and Innovation	establish forums for sensitization of staff and students on the need to be innovative	research development officer and champions appointed	initiate college research procedures hold key persons meeting	research development officer appointed research champions appointed research team committee meetings held
5:	Financial Resources	Enhance fees collection	fees collection & debts Control systems established and implemented	Develop fees collection policy develop debt management policy operationalise the use of 2 policies	fees collection & debt management policy High revenue realised
6:	Human Resource	Enhance the staff adequacy and competent.	increased number of the PSC /BoG staffs	- Liaise with the PSC/BoG for meeting gaps in teaching as per the skills gap analysis done.	5 PSC trainers posted to college within the year and the college BoG recruited 2 trainers
7:	Collaboration and linkages	Enhance Collaborations and Linkages	Collaboration and linkages frameworks established and strengthened	Participated in KATTI and CAPA activities to strengthen linkages with other TVET institutions.	-leadership workshops and seminars held in June, 2021 at Meru NP and in December 2020 at Naivasha
8:	Infrastructure improvement	Upgrade infrastructure	Facilities and equipment upgraded	construct shades for the generator, vehicle service hoist and spray booth	roof constructed for the hoist, generator and spray booth

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VII. CORPORATE GOVERNANCE STATEMENT

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

Ndia TVC Board adheres to principles of openness, integrity and accountability in its stewardship of the College's affairs. It recognizes the developing nature of corporate governance and assesses the College's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the College's overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the College's assets and ensure the reliability of financial information.

The College Board meets regularly to consider issues of operational and strategic importance to the College. Below are the key features of the existing corporate governance practices within Ndia TVC which are reviewed and improved on a regular basis: -

1. College Board

The College Board consists of the Chairman and eight members, who have been appointed in accordance with the TVET Act (2013) the full College Board meets at least four times a year.

The Board is responsible for setting the direction of the College through the establishment of strategic objectives, key policies and approval of budgets. It monitors the implementation of strategies and policies through a structured approach of reporting by management and consequent accountability.

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The College Board members have diverse skill set, a wide range of knowledge and experience of College setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the College in all strategic, financial, operational and compliance areas. During the year, the Cabinet Secretary for Ministry of Education approved list of the new board members submitted after the expiry of the term of the former College Board. The College Board held the following full Board meetings during the 2020/2021 financial year:

NDIA TECHNICAL & VOCATIONAL COLLEGE
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Meetings held before change of Board members

Name	Designation	No. of Meetings	Meetings attended
Mr. Michael Maringa	Chairman of Board	3	3
Ms Jacqueline Kendi	Board Member	3	2
Ms Yvonne Murenga	Board Member	3	2
Mr. Peter kaume	CD TVET	3	3
Mrs Jedida Muchoki	Board Member	3	2
Ms Nelly Cherono	Board Member	3	2
Eng. Anthony Wandu	Board Member	3	1
Mrs Josephine Wachiuri	Secretary of Board	3	3

Meetings held after change of Board members

Name	Designation	No. of Meetings	Meetings attended
Mr. Michael Maringa	Chairman of Board	3	3
Mr. Thomas Maganjo	Board Member	3	3
Ms Yvonne Murenga	Board Member	3	2
Mr. Peter kaume	CD TVET	3	3
Ms Alice Njuguni	Board Member	3	3
Ms Nelly Cherono	Board Member	3	2
Eng. Anthony Wandu	Board Member	3	2
Mrs Josephine Wachiuri	Secretary of Board	3	3

Note: The meetings include 1 (1) Special Meetings of Board for the inauguration of new board.

BOARD COMMITTEES

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet at least two times a year. The committees are as follows: -

1. FINANCE, HUMAN RESOURCE COMMITTEE

Current Membership

1	Mr. Anthony Wandu	Chairman of Board
2	Ms Jacqueline Kendi	Board Member
3	Ms Alice Njuguni	Board Member
4	Mrs Josephine Wachiuri	Secretary of Board

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;

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4. To ensure that accurate records are kept on the establishments in the College;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
6. To report to the Board on the progress of physical infrastructure development of the College;
7. To prepare College Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time to time delegate to the Committee.

Meetings held after change of Board members

Name	Designation	No. of Meetings	Meetings attended
Mr. Anthony Wandu	Chairman of Board	2	2
Ms Jacqueline Kendi	Board Member	2	0
Ms Alice Njugiini	Board Member	2	2
Mrs Josephine Wachiuri	Secretary of Board	2	2

2. AUDIT AND RISK COMMITTEE

Current Membership

1	Mr Thomas maganjo	Board Member
2	Ms Yvonne Marenga	Board Member
3	Ms Nelly Cherono	Board Member
4	Mrs Josephine Wachiuri	Secretary of Board

Responsibilities:

1. To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
2. To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
3. To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
4. To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
5. To exercise such other powers as the Board may from time to time delegate to the Committee

Meetings held after change of Board members

Name	Designation	No. of Meetings	Meetings attended
Mr Thomas Maganjo	Board Member	2	2
Ms Yvonne Marenga	Board Member	2	2
Ms Nelly Cherono	Board Member	2	2
Mrs Josephine Wachiuri	Secretary of Board	2	2

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3. ACADEMIC COMMITTEE

Current Membership

1	Ms Nelly Cherono	Board Member
2	Mr Thomas maganjo	Board Member
3	Mr Anthony wandu	Board Member
4	Mrs Josephine Wachiuri	Secretary of Board

Responsibilities:

- 1) Formulation and Review of the Academic Policy
- 2) Quality Assurance
- 3) Development and Implementation of New Programmes
- 4) Determination of Resources:
 - a) Human Resource
 - b) Teaching/Learning Materials
- 5) Curriculum Evaluation
- 6) Establish Linkage between the College and Industry
- 7) Ensure Relevance of Courses to Market Needs
- 8) In Charge of Graduations and Academic Awards

Meetings held after change of Board members

Name	Designation	No. of Meetings	Meetings attended
Ms Nelly Cherono	Board Member	2	2
Mr Thomas maganjo	Board Member	2	2
Mr Anthony wandu	Board Member	2	2
Mrs Josephine Wachiuri	Secretary of Board	2	2

2. Board Members' Remuneration

Sitting allowance for Board members and chairman honorarium are guided by circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November, 2004. The remuneration for Board members consists of sitting and subsistence allowances in connection with Board & Board committee and Chairman's during the financial year ended 30th June, 2021 are outlined under Note 18(b) on page 34 of these Financial Report and Financial Statements (Board expenses)

3. Succession Plan

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education. Members have no control of the appointment and duration of service.

4. Board Charter

Ndia TVC Board has a board charter. The Board is also guided by Mwongozo Code of Governance.

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5. Appointment and removal of Board members

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education

6. Induction and Training

Current Ndia TVC Board of governor is to be were inducted in the 2021/2022 financial due to inconveniences created by the COVID 19 pandemics.

7. Board and Board Members' Performance

The Board performance evaluation exercise was done in July, 2021.

8. Conflict of interest

In every Board meeting held by the Ndia TVC Board, Members declare conflict of interest on matters in the agenda and register the same in the conflict of interest register book.

9. Ethics and Conduct

Ndia College Board Members uphold the highest standard of Ethics and conduct while executing their mandate.

10. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the College towards the achievement of its objectives. There is an independent audit and risk committee that reports to the Board on a regular basis. The audit and risk committee plays a key role in assisting the Board to fulfill its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems and the external audit functions.

11. Internal Controls

The College has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the College's assets.

Such controls are based on Law, Government & College regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings and the annual external audit.

12. Going Concern

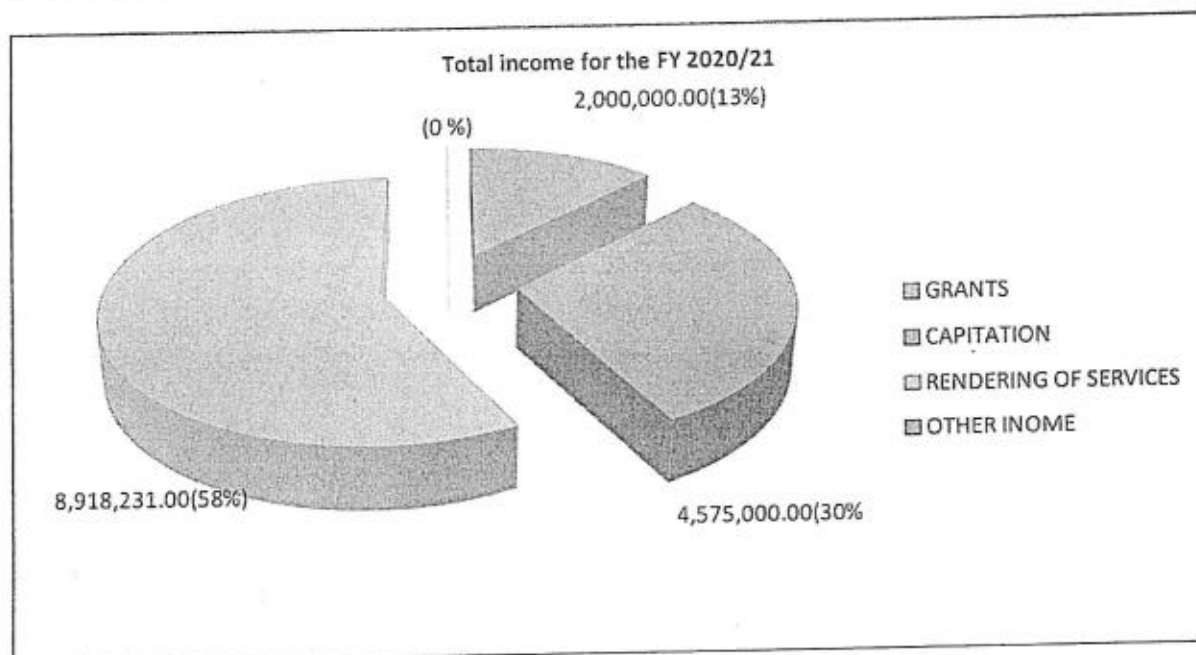
The College Board confirms that Ndia TVC has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of going concern as a basis of preparing the financial statements.

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL PERFORMANCE

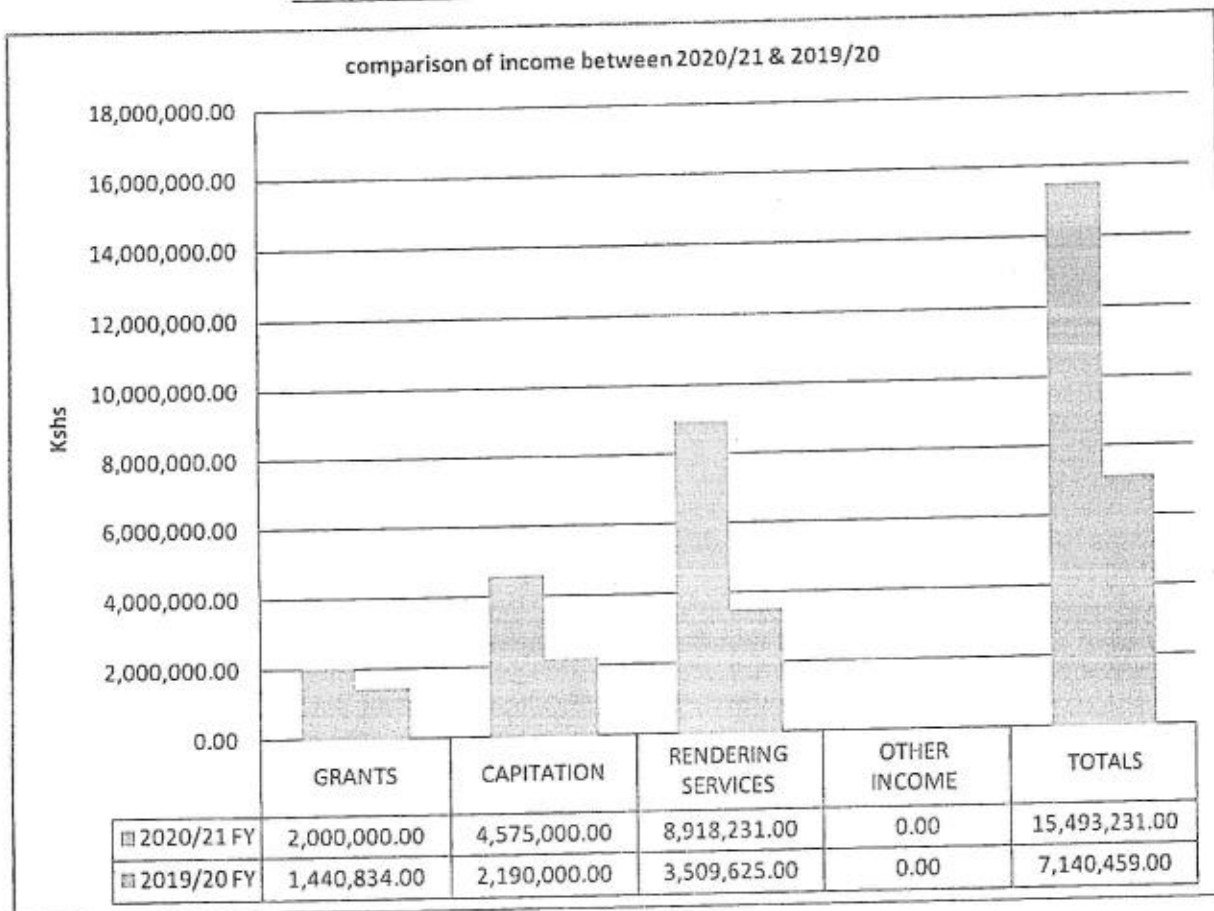
A) INCOME ANALYSIS:



During the 2020/2021 financial year, Government grants contributed to 13% of the total recurrent incomes while tuition and its related incomes contributed to 58%, GoK Capitation contributed 30%. Income generating activities contributed to 0% respectively. The College mostly depended on fees and capitation to execute its operations.

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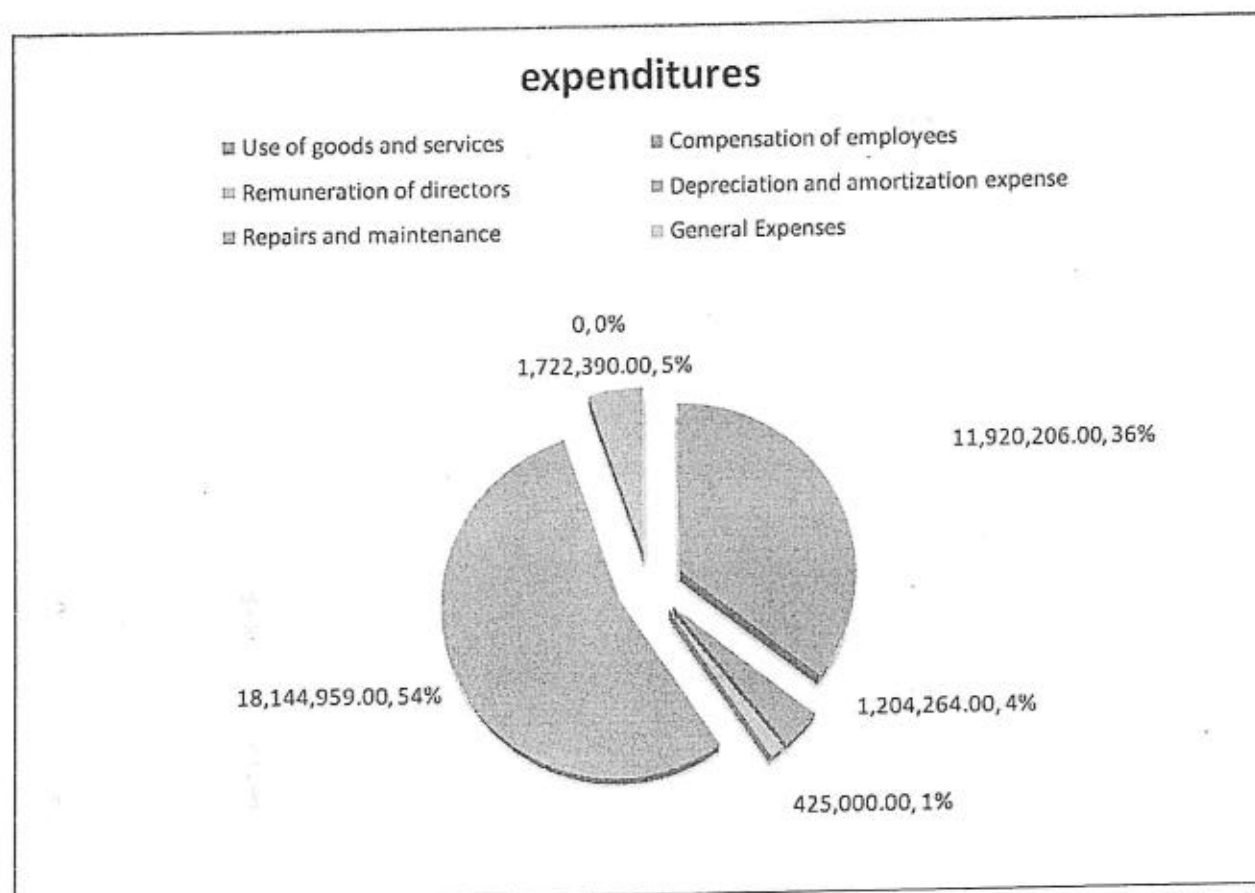
Comparison of Income between 2020/2021 and 2019/2020



There was a substantial improvement of incomes in 2020/2021 financial year compared to 2019/2020 financial year in rendering of services and in capitation & grants disbursements. The college didn't have any income generating activity in the year under review

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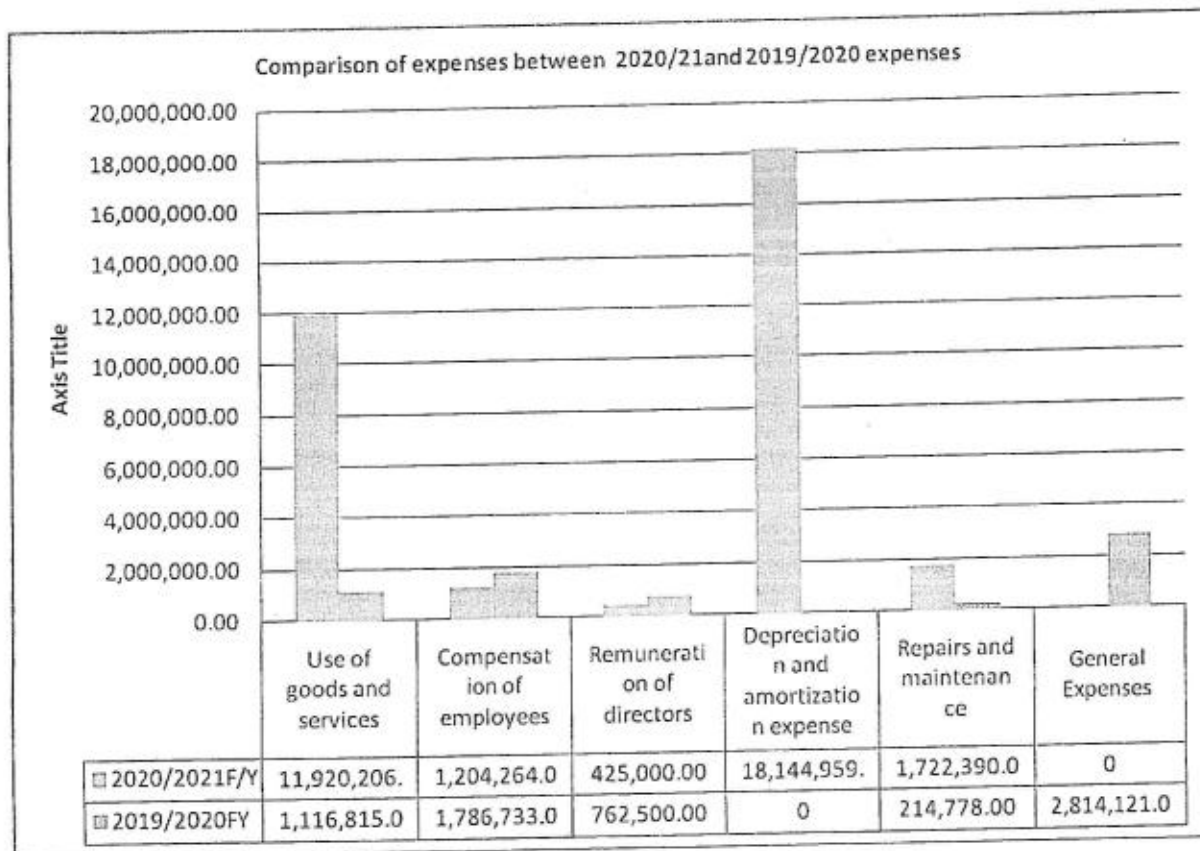
B) EXPENDITURE ANALYSIS



During the 2020/2021 financial year, depreciation expense which is non cash expenditure item of kshs18, 144,959.00 took the highest amount of recurrent expenditure with 54%. use of goods expense which is inclusive of the core mandate expenditure item of kshs 11,920,206.00 took 36 % of the recurrent expenditure. with the employees cost (personal emoluments), college repairs / improvements and directors allowances taking 4% ,5% and 1% respectively of the total recurrent expenses of kshs. 33,416,819.00

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1. Comparison of Expenses between 2020/2021 and 2019/2020

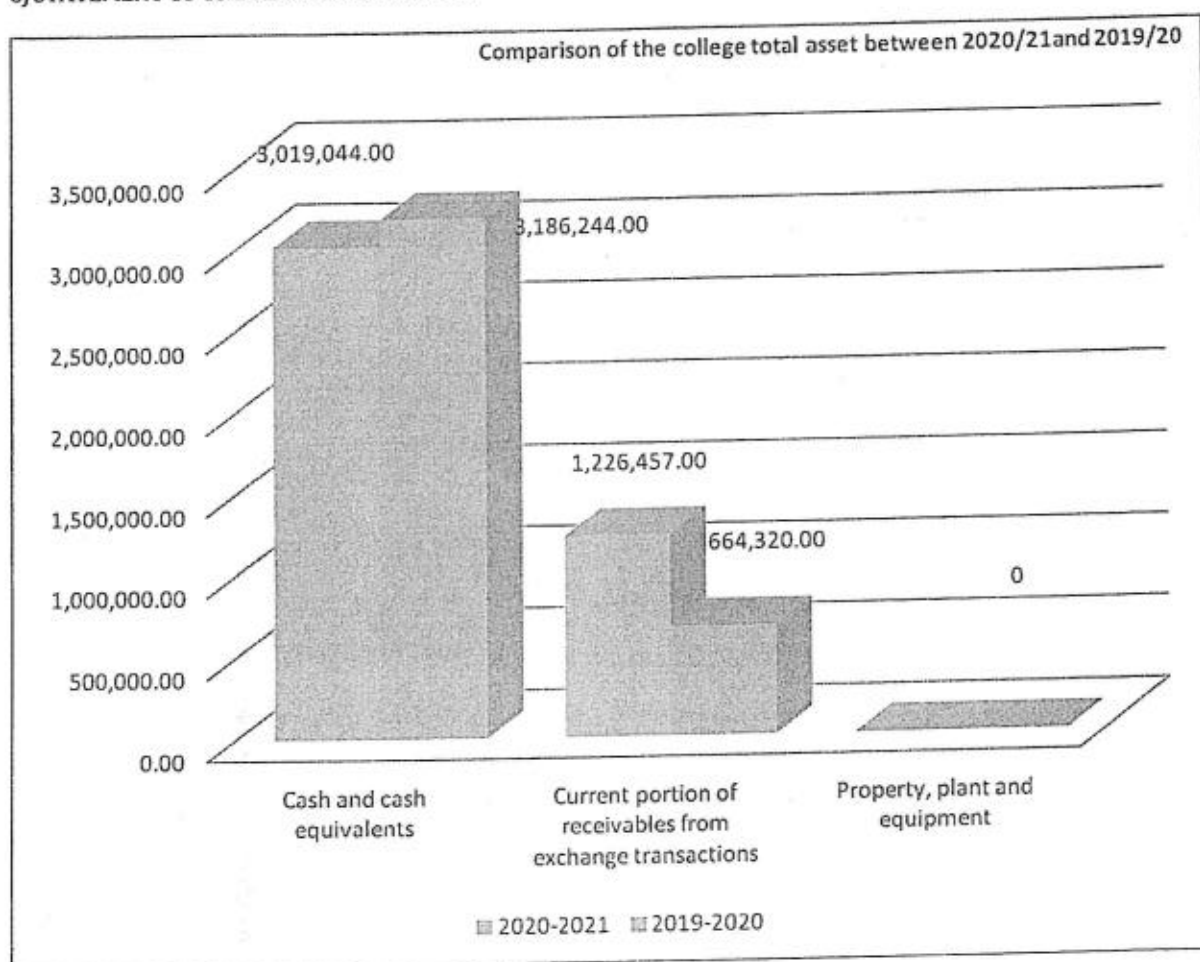


The 2020/2021 financial year had a substantial increase in the following expenses: use of goods & services and in repair/improvements compensation of employees and remuneration of directors expenditures lowered due to ongoing suspensions on physical learning and adoption of online meetings.

The college provided for the depreciation on its asset which is non cash expenditures

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C) STATEMENT OF THE FINANCIAL POSITION



The Net book value of the fixed assets of the College decreased from ksh 151,615,917.00 in financial year to 150, 652, 747.00 in the 2019/2020 financial year. The decrease in the net book value of the asset of the college is attributed to the provision for depreciation of kshs14, 003,508.00 on all assets.

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- 4) Lobby the PSC to employ more trainers
- 5) Periodical capacity building of the college staffs

CAPITAL RISKS

The College is not exposed to any capital risks.

LIQUIDITY RISK

This is termed to be the inability to meet short term financial demands. This usually occurs due to the inability to convert assets like debts to cash.

Risk Mitigation strategies:

- 1) Step up efforts to collect the outstanding fees and sensitize the trainees on alternative sources of funding like NG CDF bursaries, HELB loan/bursaries,

MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS

The College has no material arrears in statutory and financial obligations to the national exchequer or any other Government agency.

FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

The College does not have any cases of financial improbity as reported by Audit committee, external auditors, or other National Government Agencies providing oversight.

There are no governance issues among the members of the board, college top management team, including conflict of interest. This has been due to the cordial working relationship between the board and College top management as well as adherence to constitutional requirements and guidelines.

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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 suppliers, TVET institutions, universities and others working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through conferences

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 Procurement - the college has established a transparent competitive procurement process coupled with timely payment for the goods and services which have strengthen their good Relationship with the college.

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

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, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

Emissions into the air-

Emissions into the air due to corporate activities the college does not emit any pollution to air as we are training and not manufacturing.

Employee welfare

Corporate governance- Transparency in all its activities in order to restructure 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 and defining responsibilities and behaviour of the board.

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 Developed and implemented 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-

- 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
- 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
- Responsible marketing and advertisement**
The college carries out normal marketing through media and organized talks.

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d) Product stewardship.

Trainees trained in Ndia Technical & 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 & Vocational College is committed to offering the best and top quality training.

Corporate Social Responsibility / Community Engagements

Ndia TVC being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with the following amongst many social responsibilities:

(a) Charitable Activities

The College trainees have been offering material & spiritual support to needy children in various children homes within Ndia region through donation of foodstuffs and cloths.

In order to increase the forest cover, the college donated various of types of trees to local communities, churches and school

(b) Communities outreach activities

Ndia TVC in conjunction with Sagana hospital organised for a covid 19 awareness sensitization programmes within the 3quarter of the 2020/21 financial year. This was a sign that the College is moving towards fulfilling its core mandate of community service. The college worth its name must benefit the community and not only improve its economic activities but also uplift the health and the well-being of people around it to attain the country's Universal Health. Universal Health Coverage (UHC) concept is firmly based on WHO constitution of 1948 declaring health a fundamental Human right. This is equally in line with the Constitution of Kenya 2010 that confers on every Citizen Highest attainable standards of Health including Reproductive Health. H.E President Uhuru Kenyatta reaffirmed the objective of Kenyan constitution through the Big Four Agenda where Affordable Health Care is a pillar. UHC should be every body's business and a multi-sectoral approach is the way to go in the realization of this concept of Health care delivery.

The College has also been offering both social and economic support to the external community through provision of casual labour opportunities and supplies wherever such opportunities arise.

(c) Environmental Improvement activities

Introduction of communal periodical cleaning day at Sagana Town and Kigwachi town has been one of the environmental activities of the college. Within the year, the college planted over 3,000 tree seedlings along its periphery and other ornamental trees along pathways

(d) Academic Mentorship

Ndia TVC in conjunction with local churches was involved in offering career advice to students within and around Ndia Sub County during the 2020/21 financial year. The College also offered internship and industrial attachment to qualified youths from the surrounding community and Institutions.

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X. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities

The principal activity of the college is to offer technical & vocational training.

Results

The results of the college for the year ended June 30, 2021 are set out on page 1 - 5

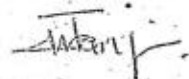
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vii - xi. During the year 2020/2021 FY, the term of the first board of governors expired in the year and new board was inaugurated in February, 2021.

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



Mrs. Josephine W Wachiuri
Principal/sec BoG
Ndia Technical & Vocational College

Date:

NDIA TECHNICAL & VOCATIONAL COLLEGE

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

XI. 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 that college, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. 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 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 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 financial statements give a true and fair view of the state of college transactions during the financial year ended June 30, 2020, and of the college 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 financial statements as well as the adequacy of the systems of internal financial control.

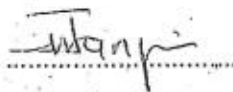
Nothing has come to the attention of the board members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The college financial statements were approved by the Board on 29/7/2021 and signed on its behalf by:



Chairperson of the Board



Accounting officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 NDIA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Ndia Technical and Vocational College set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2021, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Inaccuracies in the Financial Statements

1.1 Statement of Comparison of Budget and Actual Amounts

The statement of financial position and as disclosed in Note 17 to the financial statements reflects a balance of Kshs.166,767,723 under property, plant and equipment which includes additions for the year totalling Kshs.184,912,682. However, the budgeted values for acquisition of assets were not indicated and analyzed in the statement of comparison of budget and actual amounts.

1.2 Statement of Cash Flows

The statement of cash flows for the year ended 30 June, 2021 reflects Nil balance in respect to cash flows from investing activities. However, the statement of financial position and as disclosed in Note 17 (b) to the financial statements reflects property, plant and equipment additions balance of Kshs.184,912,682 which ought to have been factored as cash outflows from investing activities.

1.3 Statement of Changes in Net Assets

The statement of changes in net assets reflects total comprehensive income amount of Kshs.17,923,588 while the statement of financial performance reflects an amount of Kshs.18,018,933 resulting to an unexplained variance of Kshs.95,345.

1.4 Statement of Financial Performance

The following variances were noted between the statement of financial performance and the notes to the financial statements as analysed below;

Item	Statement of Financial Performance Balance (Kshs.)	Notes (Kshs.)	Variance (Kshs.)
Use of Goods and Services Note 9	12,071,206	11,920,206	151,000
Remuneration of Directors Note 11	274,000	425,000	(151,000)
Depreciation and Amortization Note 12	18,240,304	18,144,959	95,345

Further, the statement of financial performance reflects total expenses amount of Kshs.33,416,819 while a re-computation gives a total amount of Kshs.33,512,164 resulting to an unexplained variance of Kshs.95,345.

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

2. Unsupported Balances

2.1 Anomalies in the Financial Statements

The financial statements provided for audit includes items which were not adequately supported as analyzed below:

Item	Amount (Kshs.)	Remarks
Use of Goods and Services	11,920,206	Balance was not supported with a detailed schedule and ledger
Employee Costs	1,204,264	Balance was not supported with detailed schedule, ledger, payroll and monthly summaries for the year
Remuneration of Directors	425,000	Detailed analysis, ledger and support documents were not provided for audit.
Depreciation and Amortization Expense	18,144,959	No depreciation and amortization schedules depreciation policy and percentages, analysis and workings for various assets categories were not indicated in the policy statements. Ledger and other requisite support documents were not provided for audit.
Repairs and Maintenance	1,722,390	Detailed analysis, ledger and support documents were not provided for audit review.
Current Portion of Receivables from Exchange Transactions	1,226,457	Detailed aged analysis, ledger and support documents were not provided for audit.
Trade and other Payables from Exchange Transactions	1,072,677	No detailed aged analysis, ledger and support documents were not provided for audit.
Capital/Development Grants	184,912,682	The balance was not analyzed by way of note, No support schedules and relevant documentation were provided.
Cash and Cash Equivalents	3,019,044	Balance was not supported with bank reconciliation statements, bank certificates, cash survey forms, board of survey certificate and cash books
Current Portion of Receivables from Exchange Transactions	1,226,457	Balance was not supported with ageing analysis of individual debtors, debtor's ledger and no provision for bad and doubtful debts

In the circumstances, the accuracy, completeness and validity of the amounts in the financial statements amounts for the year under review, could not be confirmed.

2.2 Rendering of Services

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects a balance of Kshs.8,918,231 in respect of rendering of services-fees from students, comprising of eighteen (18) revenue streams. However, student's records including student fees ledgers, journal vouchers, general ledger accounts, student fees and arrears subsidiary ledgers, and supporting schedules were not provided for audit.

Further, included in the amount of Kshs.8,918,231 is Kshs.35,000 and Kshs.2,060,400 all totalling to Kshs.2,095,400 in respect of bursary and Higher Education Loan Board (HELB) respectively had not been posted to the students' fees accounts. This is contrary to Section

29(1) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which stipulates that a Board of Governors of a public institution shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the institution.

In the circumstances, the accuracy, validity and completeness of rendering of services-fees from student's amount of Kshs.8,918,231 could not be confirmed.

2.3 Unsupported Property, Plant and Equipment Balances

The statement of financial position and as disclosed in Note 17 to the financial statements reflects a balance of Kshs.166,767,723 in respect of property, plant and equipment. Included in the balance is Kshs.184,912,682 and Kshs.18,144,959 reflected as additions for the year and depreciation charge respectively. However, the amounts were not supported with a detailed asset register, respective asset categories and depreciation ledgers, additions and depreciation schedules per asset category and acquisitions.

In the circumstances, valuation, completeness, and accuracy of the property, plant and equipment balance of Kshs.166,767,723 could not be confirmed.

3. Lack of Ownership Documents

The statement of financial position and as disclosed in Note 17 reflects a balance of Kshs.166,767,723 in respect of property, plant and equipment. However, the College did not provide log books, land title deeds, evidence of asset count, valuation and tagging of assets records. Also, it was not possible to establish if the assets had been insured as no records on insurance were provided. In addition, physical verification and review of records provided revealed that the property, plant and equipment balance excluded a number of unquantified computer accessories, furniture and fittings, loose tools, equipment, machinery, Intangible assets (software's) among other assets of unknown value.

In the circumstances, the ownership, valuation, completeness, the property, plant and equipment balance of Kshs.166,767,723 could not be confirmed.

4. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects Kshs.16,370,820 and Kshs.33,416,819 in respect to budgeted and actual expenditure respectively, resulting to a net over expenditure of Kshs.17,045,999 or 104%. In addition, no evidence was provided for audit as prove that the over expenditure was approved contrary to Section 44(2) of the Public Finance Management (National Government) Regulations, 2015 which states that National Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the contingencies fund, or supplementary estimates. There is need therefore for the Management to relook at its budget making process with a view to planning a realistic budget to achieve its intended objectives.

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

5. Remuneration of Directors

5.1 Non-Taxation of Board Members Allowances

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Kshs.274,000 in respect of remuneration of Directors. However, the College did not tax the Directors remuneration and remit the tax to Kenya Revenue Authority (KRA). This is contrary to Section 37 of the Income Tax Act, Cap 470, which states that an employer paying emoluments to an employee shall deduct thereof and account for tax thereon, to such an extent and in such a manner as may be described.

5.2 Unsupported Payments

The amount of Kshs.274,000 in respect of remuneration of Directors includes payments of Kshs.102,000 to board of Directors that was not supported with minutes of attendance, attendance register or invitation letters.

5.3 Non-Gazettement of Board of Directors

Review of records provided revealed that six (6) Board members were issued with appointment letters, but had not been gazetted at the time of audit. This is contrary to Section 11 of Chapter 1 of Mwongozo 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.

5.4 Board of Directors not Fully Constituted

Review of the Board of Directors' composition revealed that the College has only six (6) members as Directors. This is contrary to Paragraph 4.1 of Chapter 8 of Mwongozo code on compliance with laws and regulations for state corporations issued in January, 2015 which states that the Board shall have a minimum of seven (7) members and a maximum of nine (9) members.

5.5 Lack of a Board Workplan

Management did not provide Board calendar and annual work plan for audit review. This is contrary to Section 1.9 of Chapter 1 of Mwongozo code of governance for state corporations issued in January, 2015 which requires Board members to ensure development of an annual Board Work Plan.

5.6 Payment of Remuneration Allowance to Non-Board Members

The amount of Kshs.274,000 includes payments of Kshs.151,000 made to six (6) non-members of the Board of Directors. This is contrary to Section 11 of Chapter 1 of Mwongozo Code of governance for the State Corporations issued in January, 2015 which require each board member to be appointed formally through a gazette notice and thereafter an appointment letter.

In the circumstances, the validity, accuracy and regularity of Board remuneration could not be confirmed.

6. Budget Approval

The College did not have an approved budget, procurement plan and work plans. This is contrary to Section 35(1)(a)(b) of the Public Finance Management Act, 2012 which states

that the budget process for the National Government in any financial year shall comprise the integrated planning process which shall include both long term and medium-term planning and submitting those estimates to The National Treasury for approval.

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

7. Internal Audit Function

7.1 Lack of Internal Audit Department

The College had not established an internal audit unit as at 30 June, 2021. This is contrary to 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.

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

7.2 Non-Establishment of Audit Committee

The College had not established an audit committee as required by Section 73(5) of the Public Finance Management Act, 2012 which stipulates that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. The audit committee would have performed various functions stipulated by Section 175 of Public Finance Management (National Government) Regulations, 2015 including supporting the Accounting Officer with regard to their responsibilities for issues of risk, control and governance processes.

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

8. Lack of a Procurement Function

During the year under review, the Management had not put in place a procurement function including the recruitment of a procurement officer, to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws. For this reason, procurement of goods and services was done without the use of tender documents including quotations, tender registers, tender opening, evaluation reports and notification of award. This is contrary to Section 45(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish systems and procedures to facilitate decision making for procurement and asset disposal.

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

9. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the Lawfulness and Effectiveness in the Use of Public Resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the Effectiveness of Internal Controls, Risk Management and Governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of Management and Board of Directors

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 controls 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 controls, 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 terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal controls, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and overall governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 July, 2022

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021

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

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	6	2,000,000.00	1,440,834.00
Transfers from the National Government – capitation	7	4,575,000.00	2,190,000.00
		<u>6,575,000.00</u>	<u>3,630,834.00</u>
Revenue from exchange transactions			
Rendering of services- Fees from students	8	8,918,231.00	3,509,625.00
		<u>8,918,231.00</u>	<u>3,509,625.00</u>
Revenue from exchange transactions		<u>15,493,231.00</u>	<u>7,140,459.00</u>
Total revenue			
Expenses			
Use of goods and services	9	12,071,206.00	1,116,815.00
Employee costs	10	1,204,264.00	1,786,733.00
Remuneration of directors	11	274,000.00	762,500.00
Depreciation and amortization expense	12	18,240,304.19	0.00
Repairs and maintenance	13	1,722,390.00	214,778.00
General Expenses	14	0.00	2,814,121.00
Total expenses		<u>33,416,819.00</u>	<u>6,694,947.00</u>
Net Surplus for the year		<u>(18,018,933.00)</u>	<u>445,512.00</u>

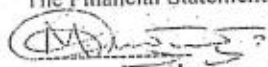
The notes set out on pages 6 to 26 form an integral part of the Annual Financial Statements.

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

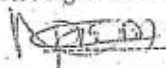
	Notes	2020-2021 Kshs	2019-2020 Kshs
Assets			
Current assets			
Cash and cash equivalents	15	3,019,044.00	3,186,244.00
Current portion of receivables from exchange transactions	16	1,226,457.00	664,320.00
		<u>4,245,501.00</u>	<u>3,850,564.00</u>
Non-current assets			
Property, plant and equipment	17	166,767,723.00	0.00
		<u>166,767,723.00</u>	<u>0.00</u>
Total assets		<u>171,013,224.00</u>	<u>3,850,564.00</u>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	1,072,677.00	899,111.00
Total liabilities		<u>1,072,677.00</u>	<u>899,111.00</u>
Net assets		<u>169,940,547.00</u>	<u>2,951,453.00</u>
Reserves			
Accumulated surplus		(14,972,135.00)	2,951,453.00
Capital Fund		184,912,682.00	0.00
Total net assets and liabilities		<u>169,940,547.00</u>	<u>2,951,453.00</u>

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



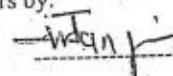
Chairman of Board of Governors

Date: 30/6/2021



Finance Officer
ICPAK No

Date: 30/6/2021



Principal

Date: 30/6/2021

INDIA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

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

	Revaluation n reserve	Fair value adjustme nt reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2019			2,505,941.00	0.00	2,505,941.00
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			445,512.00	0.00	445,512.00
Capital/Development grants received during the year					
Transfer of depreciation/amortisation from capital fund to retained earnings					
At June 30, 2020			2,951,453.00	0.00	2,951,453.00
At July 1, 2020			2,951,453.00	0.00	2,951,453.00
Revaluation gain					
Fair value adjustment on quoted investments					
Total comprehensive income			(17,923,588.00)		(17,923,588.00)
Capital/Development grants received during the year				184,912,682.00	184,912,682.00
Transfer of depreciation/amortisation from capital fund to retained earnings					
At June 30, 2021			(14,972,135.00)	184,912,682.00	169,940,547.00

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

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

		2020-2021	2019-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the National Government – grants	6	2,000,000.00	1,440,834.00
Transfers from the National Government – capitation	7	4,575,000.00	2,190,000.00
Rendering of services- Fees from students	8	8,918,231.00	3,509,625.00
Total Receipts		15,493,231.00	7,140,459.00
Payments			
Use of goods and services	9	11,920,206.00	1,116,815.00
Compensation of employees	10	1,204,264.00	1,786,733.00
Remuneration of directors	11	425,000.00	762,500.00
Depreciation and amortization expense	12	18,144,959.00	0.00
Repairs and maintenance	13	1,722,390.00	214,778.00
General Expenses	14	0.00	2,814,121.00
Total Payments		33,416,819.00	6,694,947.00
surplus		(17,923,588.00)	445,512.00
Net cash flows from operating activities	19	(167,200.00)	443,699.00
Cash flows from investing activities		0.00	0.00
Net cash flows used in financing activities		0.00	0.00
Net increase/(decrease) in cash and cash equivalents		(167,200.00)	443,699.00
Cash and cash equivalents at 1 JULY	15	3,186,244.00	2,742,545.00
Cash and cash equivalents at 30 JUNE	15	3,019,044.00	3,186,244.00

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Note No
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Transfers from the National Government – grants	2,000,000.00	0.00	2,000,000.00	2,000,000.00	0.00	0	1
Transfers from the National Government – capitation	0.00	0.00	7,200,000.00	4,575,000.00	2,625,000.00	36	
Rendering of services- Fees from students	14,295,820.00	0.00	7,095,820.00	8,918,231.00	-1,822,411.00	-26	2
Other Income	75,000.00	0.00	75,000.00	0.00	75,000.00	0	
Total income	16,370,820.00	0.00	16,370,820.00	15,493,231.00			
Expenses							
Use of goods and services	13,962,620.00	0.00	13,962,620.00	11,920,206.00	2,042,414.00	12	3
Compensation of employees	1,382,000.00	0.00	1,382,000.00	1,204,264.00	177,736.00	13	4
Remuneration of directors	514,000.00	0.00	514,000.00	425,000.00	89,000.00	75	5
Depreciation and amortization expense	0.00	0.00	0.00	18,144,959.00	0.00	100	6
Repairs and maintenance	512,200.00	0.00	512,200.00	1,722,390.00	-1,210,190.00	-236	7
General Expenses	0.00	0.00	0.00	0.00	0.00	0	
Total expenditure	16,370,820.00	0.00	16,370,820.00	33,416,819.00			
Surplus for the period				(17,923,588.00)			

Budget notes

Note 1: Gok Capitation. The college received kshs. 4,575,000 against the budget of kshs. 7, 200,000.00 in respect to the 2020/2021 financial year. This was a result of staggered population due the effects of the COVID 19 pandemic.

Note 2: The College surpassed the budget target of rendering of services. This has been attributed to mobilisation of internally generated funds and successful application of the HELB loan/bursary.

Note 3: The over expenditure of the use of goods and services was as result of increased procurement of additional training materials

Note 4: The College under spent on personal emoluments as the service for the BoG hired staffs were temporary suspended.

Note 5: Some activities that were scheduled in the BoG Calendar of events were postponed to later date due to the ranging effects of the COVID 19.

Note 6: Repairs and maintenance expenditures on college properties increased due to construction of the generator, spray booth and hoist shade.

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ndia Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college principal activity is technical & vocational.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an college's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the

Standard	Effective date and impact:
	hedging arrangements in scope of the guidance. The model develops a strong link between an college's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: (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.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

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

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,
2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

b) Budget information

The original budget for FY 2020/2021 was approved by the Board or Board in May 2020. There was no Subsequent revisions or additional appropriations made to the approved budget

The college budget is prepared on the same basis to the actual income and expenditure. 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.

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,
2021

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

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

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act.

d) Investment property

College does not have any investments on properties.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

f) Leases

The College does hold any asset under lease.

g) Intangible assets

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

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,
2021

h) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for

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.

i) Nature and purpose of reserves

The College does not maintained reserves

j) Changes in accounting policies and estimates

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

k) Employee benefits

The college does not have any Retirement benefit plans for its employees and directors

l) Related parties

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

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at various commercial banks at the end of the financial year.

n) Comparative figures

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

o) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances 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:

- a) The condition of the asset based on the assessment of experts employed by the College
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes

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- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the asset
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

6. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES – GRANTS

Description	2020-2021	2019-2021
	KShs	KShs
Unconditional grants		
Operational grant	2,000,000.00	1,440,834.00
Total government grants and subsidies	2,000,000.00	1,440,834.00

7. TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES – CAPITATION GRANTS

Description	2020-2021	2019-2020
	KShs	KShs
Unconditional grants		
Operational grant	4,575,000.00	2,190,000.00
Total government grants and subsidies	4,575,000.00	2,190,000.00

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2019-2020 KShs
Ministry of education /State Department technical & vocational training grants	2,000,000.00			2,000,000.00	1,440,834.00
Ministry of education /State Department technical & vocational training Capitation	4,575,000.00			4,575,000.00	2,190,000.00
Total	6,575,000.00			6,575,000.00	3,630,834.00

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8. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
S.E.S/Tuition	5,230,961.00	1,440,802.00
P.Emolument	279,390.00	285,853.00
L. T & T	121,497.00	148,332.00
E.W.C	161,766.00	172,264.00
R M I	65,941.00	77,298.00
Activity	20,850.00	25,350.00
Administration	229,625.00	257,388.00
Computer Maintenance	27,813.00	34,640.00
Student Welfare	19,926.00	24,180.00
Casuals	72,420.00	85,670.00
Attachment	0.00	18,260.00
Practical	119,466.00	123,351.00
Insurance	14,420.00	16,520.00
Examination	431,556.00	759,717.00
Student College Id	5,300.00	21,500.00
T Shirt	21,900.00	18,500.00
Bursary	35,000.00	0.00
Higher Education Loan Board	2,060,400.00	0.00
Total revenue from the rendering of services	8,918,231.00	3,509,625.00

9. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Tuition	916,897.00	509,025.00
Administration	1,963,924.00	0.00
Local Transport & Travelling	1,272,145.00	0.00
Electricity Water & Conservancy	65,200.00	0.00
Contracted Services	286,100.00	0.00
Attachment	9,985.00	0.00
Activity	390,850.00	0.00
Practical Material	926,165.00	302,040.00
Examination	504,760.00	305,750.00
Bursary	23,000.00	0.00
Students Welfare	2,980.00	0.00
Higher Education Loan Board	1,683,200.00	0.00
Capitation	3,875,000.00	0.00
Total good and services	11,920,206.00	1,116,815.00

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10. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Personal Emolument	923,414.00	1,666,905.00
Casual	223,450.00	119,829.00
National Social Security Fund	24,000.00	0.00
National Hospital Insurance Fund	33,400.00	0.00
Employee costs	<u>1,204,264.00</u>	<u>1,786,734.00</u>

11. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
BoGs allowances	425,000.00	615,500.00
Other allowances	0.00	147,000.00
Total director emoluments	<u>425,000.00</u>	<u>762,500.00</u>

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	18,144,959.00	0.00
Total depreciation and amortization	<u>18,144,959.00</u>	<u>0.00</u>

13. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Property	1,722,390.00	214,778.00
Total repairs and maintenance	<u>1,722,390.00</u>	<u>214,778.00</u>

14. General expenses

Description	2020-2021	2019-2020
	KShs	KShs
E.W.C	0.00	58,405.00
L. T & T	0.00	390,810.00
Administration	0.00	1,124,406.00
Insurance	0.00	4,500.00
Contracted Services	0.00	62,500.00
Capitation	0.00	1,173,500.00
Total General expenses	<u>0.00</u>	<u>2,814,121.00</u>

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15. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	2,999,513.00	51,848.00
Cash	19,531.00	3,134,396.00
Total cash and cash equivalents	3,019,044.00	3,186,244.00

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

		2020-2021	2019-2020
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		2,999,513.00	3,134,396.00
Sub- total		<u>2,999,513.00</u>	<u>3,134,396.00</u>
b) Others(specify)			
cash in hand		19,531.00	51,848.00
Sub- total		<u>19,531.00</u>	<u>51,848.00</u>
Grand total		3,019,044.00	3,186,244.00

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

16 (a) Current Receivables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Fees Arrears	1,226,457.00	440,490.00
Exams Arrears	0.00	203,830.00
Salary Advance	0.00	20,000.00
Total current receivables	1,226,457.00	664,320.00

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17. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions							
Disposals							
Transfers/adjustments							
At 30 th June 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.00	49,229,772.00	1,600,000.00	0.00	134,082,910.00	0.00	184,912,682.00
Disposals							
Transfer/adjustments							
At 30 th July 2021	0.00	49,229,772.00	1,600,000.00	0.00	134,082,910.00	0.00	184,912,682.00
Depreciation and impairment							
At 1 July 2019							
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Impairment							
At 30 June 2021							
Depreciation	0.00	984,595.44	400,000.00	0.00	16,760,363.75	0.00	18,144,959.19
Disposals							
Impairment							
Transfer/adjustment							
At 30 th June 2021	0.00	984,595.44	400,000.00	0.00	16,760,363.75	0.00	18,144,959.19
Net book values							
At 30 th June 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30 th June 2021	0.00	48,245,176.56	1,200,000.00	0.00	117,322,546.25	0.00	166,767,722.81

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Valuation

The college Land has not been valued hence its value not recognised in the financial statement. Buildings was valued at the historical accumulated cost of putting the block by the mentoring institute.

The value of the plant, equipments and motor vehicle are based price provided by the Ministry of education in US DOLLARS 1,233,481.00. Their prices have been converted into Kenyan shilling s using the current exchange rate of kshs.110 per US DOLLAR

17 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0.00	0.00	0.00
Buildings	49,229,772.00	984,595.44	48,245,176.56
Plant and machinery	134,082,910.00	16,760,363.75	117,322,546.25
Motor vehicles, including motorcycles	1,600,000.00	400,000.00	1,200,000.00
Computers and related equipment	0.00	0.00	0.00
Office equipment, furniture, and fittings	0.00	0.00	0.00
Total	184,912,682.00	18,144,959.19	166,767,722.81

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Prepaid fees	547,677.00	327,654.00
Audit fees	525,000.00	525,000.00
Prepaid exams fees	0.00	46,457.00
Total trade and other payables	1,072,677.00	899,111.00

19. CASH GENERATED FROM OPERATING ACTIVITIES.

Description	2020-2021	2019-2020
	KShs	KShs
surplus	(17,923,588.00)	445,512.00
(add) Depreciation and amortization expense	18,144,959.00	0.00
Working Capital adjustments		
Increase/decrease in receivables	(562,137.00)	(83,242.00)
Increase/decrease in payables	173,566.00	81,429.00
Net cash flow from operating activities	(167,200.00)	443,699.00

NDIA TECHNICAL & VOCATIONAL COLLEGEANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021**20. FINANCIAL RISK MANAGEMENT**

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college's overall risk management programme focuses on unpredictability of changes in the 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 credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the board of governor. The amounts presented in the statement of financial position have not been subjected into provision of doubtful receivables as most its customers are continuing trainees

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	664,320.00	664,320.00	0.00	0.00
Receivables from non-exchange transactions				
Bank balances	3,186,244.00	3,186,244.00	0.00	0.00
Total	3,186,244.00	664,320.00	0.00	0.00
At 30 June 2021				
Receivables from exchange transactions	1,226,457.00	882,137.00	344,320.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	3,019,044.00	882,137.00	344,320.00	
Total	1,226,457.00	882,137.00	344,320.00	0.00

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

The college has significant concentration of credit risk on amounts due from 60 days.

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Prepaid fees		374,111.00		374,111.00
Trade payables			525,000.00	525,000.00
Provisions				0.00
Deferred income				0.00
Total		374,111.00	525,000.00	899,111.00
At 30 June 2021				
Prepaid fees		547,677.00		547,677.00
Trade payables			525,000.00	525,000.00
Provisions				0.00
Deferred income				0.00
Total		547,677.00	525,000.00	1,072,677.00

(iii) Market risk

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

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

The college's Finance Department is responsible for the development of detailed risk management policies and for the day to day implementation of those policies.

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

a) Foreign currency risk

The college has no transactional currency exposures as it has not been purchasing goods and services in currencies other than the local currency.

b) Interest rate risk

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

c) Management of interest rate risk

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

d) Sensitivity analysis

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

NDIA TECHNICAL & VOCATIONAL COLLEGE**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021****iv) Capital Risk Management**

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

	2020-2021	2019-2020
	KShs	KShs
Revaluation reserve	0.00	0.00
Retained earnings	3,172,824.00	2,951,453.00
Capital reserve	0.00	0.00
Total funds	3,172,824.00	2,951,453.00
Total borrowings	0.00	0.00
Less: cash and bank balances	3,019,044.00	3,186,244.00
Net debt/(excess cash and cash equivalents)	3,019,044.00	3,186,244.00
Gearing	0.00%	0.00%

21. RELATED PARTY BALANCES**Nature of related party relationships**

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry; ministry of education
- iii) Ndia National Government CDF
- iv) Local community
- v) Kirinyaga County Government
- vi) College Top management and trainers;
- vii) Board of Governors;
- viii) College trainees, sponsors and guardians.

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

	2020-2021	2019-2020
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants/capitation from National Govt	6,575,000.00	3,630,834.00
HELB	2,060,400.00	0.00
Total	<u>8,635,400.00</u>	<u>3,630,834.00</u>
b) Expenses incurred on behalf of related party		
Payments of salaries and wages for BoG employees	1,204,264.00	1,786,734.00
Total	<u>1,204,264.00</u>	<u>1,786,734.00</u>
c) Key management compensation		
Directors' emoluments	274,000.00	762,500.00
Total	<u>274,000.00</u>	<u>762,500.00</u>
Total	<u>10,113,664.00</u>	<u>6,180,068.00</u>

22. EVENTS AFTER THE REPORTING PERIOD

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

23. ULTIMATE AND HOLDING ENTITY

The college is a under the Ministry of education. Its ultimate parent is the Government of Kenya.

24. CURRENCY

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

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

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.

Ref No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.0	Inaccuracies in the Financial Statements			
1.1	Variances Between the Financial Statements and the Ledger Balances The financial statements for the year ended 30 June, 2019 reflect Kshs.7,144, 833 in respect to three (3) items. However, the respective supporting ledgers reflects Kshs.7, 621,433 in respect to the same resulting to an un-explained and unreconciled absolute variance of Kshs.2,805, 068	The ledger for supporting the financial statement for the 2019/2020 and 2020/21 were availed during the audit	resolved	
1.2	Statement of Financial Position The statement of financial position reflects Kshs.3, 323,623 in respect to total assets. However, the balance does not include automotive engineering machines, training equipment, computer accessories of undetermined value as mentioned in Section II (a) on key college information at page (1), and approximately five (5) acres of land where the college is located. In addition, the college's financial statement does not include a schedule of property, plant and equipment showing the costs and the respective assets depreciation and net book value as at 30 June, 2019. Further, the corresponding capital reserve which financed these assets is not reflected in the financial statement. In addition, the statement of financial position as at 30 June, 2019 reflects Kshs.414, 510 in respect to surplus brought forward whose breakdown was not availed for audit review.	The institute property plant and machinery were disclosed also the corresponding capital reserve which financed these assets is reflected in the 2020/2021 financial statement The value and the ownership of the land is yet to be disclosed as the process of getting the value of the land is still ongoing.	Not Resolved	2022/2023
1.3	Statement of Financial Performance The report of the Principal at page 14 to the financial statements reflects Kshs.6, 353,250 and Kshs.3, 583,344 in respect to total revenue and total expenditure respectively. However the statement of financial performance reflects Kshs.5, 674,775 and Kshs.3,583, 344 respectively on the same items resulting to an	The statement of financial performance and the report of the principal have been reconciled in the	Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.4	<p>unexplained and unreconciled variance of Kshs.6,78,475 and Kshs.592,211 for the revenue and expenditure respectively</p> <p>Statement of Comparison of Budget and Actual Amounts The statements of comparison of budget and actual amounts for the year under review reflects Kshs.545,977 in respect to a performance difference between the original budget and actual expenditure on use of goods and services. However, re-casting of the respective budgeted expenses and actual expenses of Kshs.3,70,000 and Kshs.232,317 respectively as reflected in the statement of comparison of budget and actual amounts gave a performance difference of Kshs.137,683 resulting to unexplained and unreconciled variance of Kshs.408,294. In addition, the column for final budget reflects nil balances in respect to total revenue and total expenditure. However, the original budget column in the statement of comparison of budget and actual amount reflects Kshs.8,001,000 in both revenue and expenditure budget which should have been rep</p>	<p>2019/2020 and 2020/2021 financial statements</p> <p>The statement of comparison of the budget and the actual for the 2019/2020 and 2020/2021 have been reconciled with the approved budget and the statement of financial performance</p>	Resolved	
2.0	<p>Cash and Cash Equivalents Note 13 to the financial statement reflect Kshs.2,742,545 in respect to cash and cash equivalents as at 30 June, 2019. However, a review of the bank reconciliation statements revealed balance of Kshs.183,528 in respect to receipts in bank statement not recorded in the cash book thereby understanding the cashbook balance by the same amount. In addition, the bank statement not recorded in the cashbook thereby understanding the cashbook balance by the same amount. In addition, the bank reconciliation statement reflects Kshs.2,050 in respect to payments in the bank statement not recorded in the cash book and therefore overstating the cash book balance as at 30 June, 2019 by the same amount. Further, the bank reconciliation statements reflects Kshs.16,250 in respect to receipts in cashbook not in bank statements which had not been credited to the bank since September 2017 thereby understanding the bank statement balance by the same amount. In addition, Kshs16,250 still remained unaccounted for as at 30 June, 2019.</p>	<p>The bank reconciliation statement for the 2019/2020 and 2020/2021 were formulated as per the national treasury reporting template</p>	Resolved	
3.0	Lack of Fixed Assets Valuation Records	The government has	not resolved	2022/2023

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Ref No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Section II (a) on key College information at page 1 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 computer accessories. However, the financial statements do not reflect any fixed assets as at 30 June, 2019. In addition, records provided for audit review showed that the land hosting the college is approximately five (5) acres. However the valuation and ownership documents for the assets were not availed for audit review.	initiated the process sourcing for the land ownership and its value for all TVET institutes /college in Kenya		
4.0	Government of Kenya Grants Note 6 to the financial statement reflects Kshs.2, 000,000 in respect to GOK recurrent the grants. However, records maintained at the ministry of Education reflects Kshs.3, 640,884 on the same items resulting to unexplained variance of Kshs.2,000,000 grants reflected in the financial statement for the year under review could not be ascertained.	The college only received kshs, 2,000,000.00 instead of Kshs.3, 640,884. The college wrote to the ministry and its awaiting for the response	not resolved	2022/2023
5.0	Presentation of Financial statements The presentation of the college's financial statements for the year ended 30 June, 2019 provided for audit review reflects the following anomalies: (vi) The financial statements did not include the statement of changes in the net assets, as stipulated by the Public Sector Accounting Standards Board (PSASB) reporting template. (vii) The statement of cash flow for the year ended 30 June 2019 does not include separate sections on cash flows from operating activities, adjustments for working capital changes if any, cash flows from investing activities and cash flows does not indicate the corresponding notes in respect to account balances a required by PSASB. (viii) The management discussion and analysis is repeated twice at the table of contents and at pages 9 and 16 of the financial statements. (ix) The detailed analysis of cash and cash equivalent at page 38 to the financial statements is indicated as Note 12(a) instead of Note 13 (a)	The subsequent financial reports for the 2019/2020 and 2020/2021 have been reported as per the provided templates	resolved	

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

Ref No.	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	The statement of comparison of budget and actual on comparable basis of Kshs.8,001,000 and Kshs.5,232,550 respectively resulting to an underfunding of Kshs.2,768,450 or 35% of the budget. Similarly, the College expended Kshs.2,667,430 against a budget of Kshs.8,001,000 resulting to an under expenditure of Kshs.5,333,570. The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the College	The budgeting execution is monitored and necessary adjustments made to accommodate the budget implementation changes	resolved	
6.0	Report on lawfulness and effectiveness in use of public resources			
6.1	Non-Remittance of Statutory Deductions Note 9 to the financial statements reflect Kshs.1, 414,805 in respect to employee costs. An Audit review of the college payroll for the year under review revealed that pay as you Earn (PAYE), National Hospital Insurance Fund (NHIF) and National Social Security Services (NSSF). For the months of July, August and September, 2018 totalling to Kshs. 23,808 were not deducted from the payroll and remitted to the relevant institutions	The college at that time was processing the Registration with statutory bodies. The institute is now in full compliance with the statutory requirements	resolved	
	Failure to Provide Staff Recruitment Record Note 9 to the financial statements reflect Kshs.1, 414,805 in respect to employee costs. A review of the college's human resource records revealed during financial year under review, two (2) employees were recruited for the positions of hairdressing and beauty and plumbing lecturers. However, the recruitment records including interview and selection records were not provided for audit review. In addition, the college did not provide the approved staff establishment and approved salary structure.	The college has filed the staff's records in chronological order as they are recruited. The staffs files were availed to audit team during subsequent audits	resolved	

Accounting Officer

Name

Mrs. Josephine W Wachiuri

Signature

Josephine Wachiuri

Date.

30-06-2021

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

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)
0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NDIA TECHNICAL & VOCATIONAL COLLEGE
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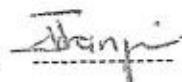
APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		Ndia Technical & Vocational College		
Break down of Transfers from the State Department of Technical Education				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		9 th November, 2020	500,000.00	2020/2021 FY
		25 th February, 2021	500,000.00	2020/2021 FY
		7 th April, 2021	500,000.00	2020/2021 FY
		30 th June, 2021	500,000.00	2020/2021 FY
		Total	<u>2,000,000.00</u>	
b.	Capitation			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		3 rd July, 2020	795,000.00	2020/2021 FY
		9 th November, 2020	885,000.00	2020/2021 FY
		16 th February, 2021	885,000.00	2020/2021 FY
		7 th April, 2021	825,000.00	2020/2021 FY
		30 th June, 2021	1,185,000.00	2020/2021 FY
		Total	<u>4,575,000.00</u>	
		Total	<u>6,575,000.00</u>	

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

Principal/sec BoG
Ndia TVC

Sign



Head of Accounting Unit
Ministry of education

Sign-----

NDIA TECHNICAL & VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Capitation	Grants	
MoE	9 th November, 2020	Recurrent	500,000.00	500,000.00				500,000.00	500,000.00
MoE	25 th February, 2021	Recurrent	500,000.00	500,000.00				500,000.00	500,000.00
MoE	7 th April, 2021	Recurrent	500,000.00	500,000.00				500,000.00	500,000.00
MoE	30 th June, 2021	Recurrent	500,000.00	500,000.00				500,000.00	500,000.00
MoE			<u>2,000,000.00</u>	<u>2,000,000.00</u>				<u>2,000,000.00</u>	<u>2,000,000.00</u>
MoE	3 rd July, 2020	Recurrent	795,000.00	795,000.00			795,000.00		795,000.00
MoE	9 th November, 2020	Recurrent	885,000.00	885,000.00			885,000.00		885,000.00
MoE	16 th February, 2021	Recurrent	885,000.00	885,000.00			885,000.00		885,000.00
MoE	7 th April, 2021	Recurrent	825,000.00	825,000.00			825,000.00		825,000.00
MoE	30 th June, 2021	Recurrent	1,185,000.00	1,185,000.00			1,185,000.00		1,185,000.00
MoE			<u>4,575,000.00</u>	<u>4,575,000.00</u>			<u>4,575,000.00</u>		<u>4,575,000.00</u>
Total			6,575,000.00	6,575,000.00			4,575,000.00	2,000,000.00	6,575,000.00