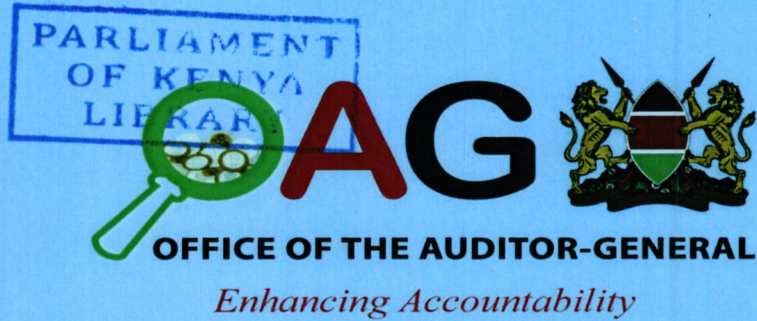


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS 1 AND	
DATE:	22 FEB 2023 REPORT
TABLED BY:	HON. DWIEN BAYA, MP DEPUTY LEADER OF MAJORITY
CLEAR AT THE TABLE:	CHRISTINE NDIRITU OF

THE AUDITOR-GENERAL

ON

**CHAMASIRI TECHNICAL AND VOCATIONAL
COLLEGE**

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





MINISTRY OF EDUCATION
STATE DEPARTMENT OF
VOCATIONAL & TECHNICAL
TRAINING

CHAMASIRI TECHNICAL &
VOCATIONAL COLLEGE

P. O. BOX 36-50209, MALAKISI

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) BACKGROUND INFORMATION

Chamasiri Technical and Vocational College is a public institution established in 2019. The institute is located at CHAMASIRI location Teso North Sub County, Teso North constituency. It stands on an 8-acre piece of land. The initial capital for the construction of the twin workshop was contributed by NG-CDF Teso North (Kes 10,000,000) and GOK (KES 40,000,000) through the ministry of education (MOE). Chamasiri TVC is aligned with the Ministry of Education Vision, Mission and Objectives. Its priorities are in line with the National TVET policy, the Big four agenda and Vision 2030.

Chamasiri TVC is currently running seven Academic Departments as listed below:

1. Building & Civil Engineering
2. Business, Liberal and Information Studies
3. Agriculture
4. Electrical & Electronic Engineering
5. Automotive Engineering
6. ICT
7. Institutional Management

(b) Principal Activities

The principal activity/mission/ mandate of Chamasiri Technical and Vocational College is to

- Impart skills to learners
- Promote and carryout research relating to its mandate
- Produce skilled Manpower for all sectors of Economy
- Provide extension services to the community
- Provide coactivity & innovation to solve problems in the society

(c) Vision Statement

To be the premier provider of world class education and skills training for success in a global economy.

(d) Mission Statement

To provide training, research and outreach programs that impart skills and utilize applied knowledge to spur economic growth and respond to the changing needs of Industry and society.

(e) Strategic Objectives

1. To enhance Access to TVET training by providing opportunities for all eligible trainees.

2. Promote Equity in education and training by providing opportunities for life-long Learning.
3. Provide quality and relevance in training by developing and encouraging a culture of research, creativity and innovation among trainees and staff.
4. Establish good governance for operational efficiency and effectiveness.
5. Enhance attractiveness through strategic collaboration and linkages with research institutions, industry and professional bodies both nationally and internationally
6. To enhance ICT infrastructure and equipment to bridge the digital divide.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(c) Key Management

The *Chamasiri Technical & Vocational College* day-to-day management is under the following key organs:

1. Board of Governors
2. Principal
3. Deputy Principal
4. Registrar
5. Dean of Students
6. Finance Officer
7. Procurement Officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Joseph OkumuOgot
2.	Deputy Principal	Lawrence KebasoOngati
3.	Registrar	Timothy Olindi
4.	Dean of students	Erick Magena Migiro Nyamao
5.	Finance Officer	Carolyn Akinyi Madowo
6.	Procurement Officer	Rachel Etyang'a

(e) Institute Headquarters

Chamasiri Technical & Vocational College
P.O. Box 36-50209
Malakisi, Kenya

Institute Contacts

Telephone: 0780971144
E-mail: chamasiritvc@gmail.com
Website: www.chamasiritvc.ac.ke

(f) Institute Bankers

1. EQUITY BANK
Malaba branch
P.O. Box 98
Kamuriai, Kenya
2. Kenya Commercial Bank
Malaba Branch
P.O. Box 380
Bungoma, Kenya
3. National Bank of Kenya
Bungoma Branch
P.O. Box 25
Bungoma, Kenya.


(g) Independent Auditors





The Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O BOX 30084-00100 G.P.O
Nairobi, Kenya



(h) Principal Legal Adviser

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

(i) Board of Governors



 MR. Akwara Elung'ata Ben	Master of Art Government, Bachelors of Arts in Government and sociology	Chairman Board of Governors
Ms Martha Wekesa		Member of Finance Committee BOG




 <p>Mr. Charles Lagat</p>	<p>Bachelor of Technology Textile Engineering.</p>	<p>Member of Education and HR committee, Member of Finance & development committee BOG.</p>
 <p>MS. Grace Nyagaya</p>	<p>BBC in Computer Science UNISA (University of South Africa)</p>	<p>Chair of Risk& Audit committee BOG</p>
 <p>Mr. Joseph OkumuOgot</p>	<p>B.Ed, M.Ed PPM</p>	<p>Principal Chamasiri Technical and Vocational College, Secretary BOG.</p>
 <p>Dr. John Achuora</p>	<p>PHD Supply Chain Management(SCM),Msc Product Lifecycle Management(PLM),B.com,Certified Information Privacy Professional(CIPP),Member Kenya Institute of Supplies Management (MKISM),LSP</p>	<p>Chairman of Education, Training& Human resource Committee, Member of Finance & Development Committee. BOG</p>

<p>Ms Martha Wekesa</p>			
 <p>Mr. Hillary Mebur</p>	<p>CPA 2, Diploma in Co-operative Management and Administration</p>	<p>Member of Risk and Audit committee BOG</p>	
 <p>Ms. Emily Mweche Simiyu</p>	<p>PHD Finance ongoing MMUST, Masters in Accounting Kibabii University, Bcom Finance MMUST, Certified Public Accountants of Kenya (CPAK), CIFA Part 2.</p>	<p>Chair of Finance and Development Committee BOG</p>	
<p>Ms. Esther Anya Kalwa</p>		<p>BOG Member</p>	

KEY INSTITUTE INFORMATION AND MANGEMENT (Continued)

a) Key Management

Name of Staff	Qualification	Area of Responsibility
 <p>1. Mr. Joseph Okumu Ogot</p>	<p>B.Ed, M.Edppm</p>	<p>Principal Provides innovative and visionary leadership, creates and sustains highly motivated, participatory management team, coordinates the implementation of the board of governors' strategies, promotes academic excellence and efficient administrative and governance practices, maintains public relations as well as linkages among others.</p>
 <p>2. Mr. Lawrence Kebaso Ongati</p>	<p>M.Com Business Administration, Postgraduate Diploma in Education (PDGE)</p>	<p>Deputy Principal Principal Assistant to the Principal, in charge of curriculum implementation and chairs Tender committee.</p>

 <p>3. Mr. Timothy Ombevah Olindi</p>	<p>- Bed Technology Electrical (Telecommunication)</p>	<p>Registrar - In charge of Academic and Enrolment of students and student's records.</p>
 <p>4. Mr. Erick Magena Migiro Nyamao</p>	<p>BSc. Business information Technology, PGDE Education</p>	<p>Dean of Students – in charge of student affairs.</p>
 <p>5. Carolyne Akinyi Madowo</p>	<p>- BCom(Finance) and Certified Accountants of Kenya (CPAK)</p>	<p>-Finance Officer in charge of all accounting duties including financial statements and financial records of the Institution.</p>



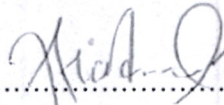
6. Racheal Mamkiror Etyang'a

-Bachelor of Commerce Procurement

Supply Chain Officer in charge of all procurement duties. Besides maintain ace of inventory records of the college.

Approval of the Annual financial statements

Chamasiri Technical & Vocational College's Annual financial statements have been prepared in accordance with section 83 of the PFM Act 2012.

Finance Officer: 
ICPAK No.: 11879

Date: 28/09/21

Principal: 

Date: 28/09/21

Chairman of the Board: 

Date: 28/09/21

STATEMENT OF RESPONSIBILITIES

Section 83 of the Public Finance Management Act, 2012 requires the Board of Governance to prepare Annual financial statements in respect of Chamasiri Technical and Vocational College. The report should give a true and fair view of the state of financial affairs of the College at the end of the quarter and the operating results of the College for the period ended 30 June 2021. The College is also required to ensure that the College keeps proper accounting with reasonable accuracy in its financial position. The B.O.G is also responsible for safeguarding the assets of the Chamasiri Technical and Vocational College.

These responsibilities include:

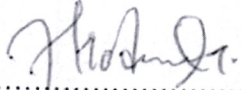
- i) Maintaining adequate financial management arrangements and ensuring that these continue to be throughout the reporting period.
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Chamasiri Technical and Vocational College.

- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensure that they are free from material mistakes.
- iv) Safeguarding the assets of Chamasiri Technical and Vocational College.
- v) Selecting and applying appropriate accounting policies.


The B.O.G accepts responsibility for the Chamasiri Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012. The B.O.G further confirms the completeness of the accounting records maintained for Chamasiri Technical and Vocational College which have been relied upon in the preparation of Chamasiri Technical and Vocational College's financial statements as well as the adequacy of the internal financial control.

Nothing has come to the attention of the B.O.G to indicate that Chamasiri Technical and Vocational College will not remain a going concern for at least the next three months from the date of this statement.

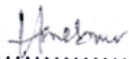
Approval of the Annual financial statements

Finance Officer: 
ICPAK NO 11879

Date: 28/09/21

Principal: 

Date: 28/09/21

Chairman of The Board: 

Date: 28/09/21

MANAGEMENT DISCUSSION AND ANALYSIS SECTION A

The institute's operational and financial performance

Chamasiri Technical and Vocational College is an institution under the Ministry of Education Directorate of TVET. The institution was established by the government to foster in Building and Technical Engineering. Over times the College has been embracing government policies and strategies as stipulated in the parent ministries policy paper and strategies.

The G.O.K under vision 2030 has come up with vibrant strategies to achieve vision 2030 M.D.G's and achieve the Big 4 Agenda of the government. This government development strategy has been castigated to ministries, government agencies. The institution as a government agency has adopted the ministry policies and strategies as follows; The institution has developed a strategic plan incorporating the government agenda, the College has numerous courses and training programmes that are industry driven and oriented, the institute has vibrantly marketed itself and increased the student population

taking various courses to help industrialize Kenya, the institute has implemented the National Cohesion Policy in employment and administration and In implementing the above strategies,

The institute has experienced the following challenges:

- ❖ Lack of adequate funding to support the programmes,
- ❖ lack of adequate skilled manpower to drive the strategies and policies,
- ❖ strain on limited resources that exist within its environment
- ❖ competition from higher learning institution e.g. universities and national polytechnics,
- ❖ drugs and substance abuse by youths that form a larger population of the largest group,
- ❖ negative attitude towards technical education

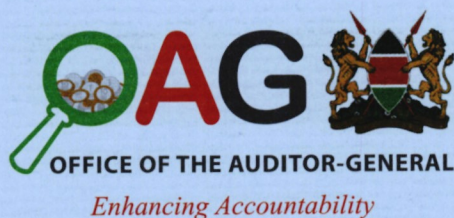
Opportunities included:

- ❖ Linkages with industries mounting industry driven courses,
- ❖ government policies strategies and commitments in sponsoring of trainees through KUCCPS and HELB,
- ❖ a large population of high school leavers,
- ❖ development partner's willingness to support TVET sector,
- ❖ employment opportunities in the private sector

VIABILTY OF THE PROJECTS IN SUPPORTING GOVERNMENT STRATEGIC OBJECTIVES AND POLICIES.

1. The Chamasiri Technical and Vocational College project is key in enhancing training and providing a practical approach curriculum delivery and assessment.
2. The project provides easy access to the training opportunities in TVET sector.
3. The project is evidence of the government commitment to provide a good working environment to enhance employee motivation to improve productivity in public sector.
4. The project supports the government motive to provide a state of art facilities and equipment in TVET institutions to help realize achievement of vision 2030

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Chamasiri Technical and Vocational College set out on pages 1 to 12, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget

Report of the Auditor-General on Chamasiri Technical and Vocational College for the year ended 30 June, 2021

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

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

Basis for Adverse Opinion

1. Inaccuracies of the Financial Statements

The financial statements for the year ended 30 June, 2021, reflect comparative amounts relating to 2019/2020 financial year. However, no evidence was provided to show that the College prepared and submitted financial statements for the year ended 30 June, 2020, for audit and that an audit was conducted on the statements.

In the circumstances, the accuracy and completeness of the comparative amounts could not be confirmed.

2. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position reflects a current liabilities balance of Kshs.1,798,000 which, as shown under Note 15 to the financial statements, includes Kshs.658,150 relating to payments received in advance. However, the balance was not supported by schedules or any documentation.

In the circumstances, the accuracy and completeness of the balance of Kshs.1,798,000 could not be confirmed.

3. Unsupported Rendering of Training Services

The statement of financial performance reflects rendering of training services expenditure of Kshs.3,098,433. However, out of the amount, only an amount of Kshs.622,220 was supported by schedules, leaving an unsupported balance of Kshs.2,476,213.

In the circumstances, the validity of the expenditure of Kshs.2,476,213 could not be confirmed.

4. Unsupported Revenue from Non-Exchange Transactions

The statement of financial performance reflects GOK capitation of Kshs.7,595,000 received during the year under review. However, the Management did not avail supporting documents for the amount received.

In the circumstances, the accuracy of the GOK capitation amount of Kshs.7,595,000 could not be confirmed.

5. Errors in Presentation and Disclosure of the Financial Statements

The financial statements presented for audit contained the following inconsistencies:-

- i. The cover page omitted the phrase 'annual report and financial statements for the year ended 30 June, 2021'.
- ii. The table of contents on page ii, was incomplete since it omitted the minimum mandatory statements and reports.
- iii. The header of the financial statements read annual report and financial statements for the year ended '30 June, 2020/2021' instead of the year ended '2021'.
- iv. The statement of financial performance for the year ended 30 June, 2021 on page 1 reflects actual unaudited column FY 2019/2020 with nil balances and FY 2019/2020 balances.
- v. The statement of financial performance does not include the correct references of the notes to the financial statements.
- vi. The statement of financial position as at 30 June, 2021 on page 2 reflects balances for the financial year '2019/2021'.
- vii. The notes to the financial statements omitted the general information, statement of compliance and basis of preparation, adoption of new and revised standards, a summary of significant accounting policies, significant judgments and sources of estimation uncertainty, financial risk management, related party balances, contingent assets and contingent liabilities and currency.
- viii. Appendix 1: Progress on follow-up of auditor recommendations report was not prepared.

In the circumstances, the financial statements presented for audit do not comply with the Public Sector Accounting Standards Board reporting templates.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chamasiri Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Undertake an Investment Grade Energy Audit

The Management did not have an energy management policy, contrary to the provisions of Regulation 5 of the Energy Management Regulations, 2012, which requires public institutions to develop a clear energy management policy. Further, Regulation 6 requires the College to undertake an energy audit at least once every three years. No evidence was provided to show that the College adhered to these requirements.

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

2. Lack of Approved Budget

The statement of comparison of budget and actual amounts reflects an income budget of Kshs.31,746,040 and an expenditure budget of Kshs.31,985,000. No explanation was provided on why the budget was not balanced.

In addition, the College did not provide an approved budget as required by Section 22(1) and (2) (Second Schedule) of the Technical and Vocational Education and Training Act, 2013.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and Governance were not effective.

Basis for Conclusion

1. Lack of a Risk Management Policy

The Management did not have a risk management policy contrary to the provisions of Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015, which requires heads of public institutions to develop risk management strategies, which include fraud prevention mechanism, system of risk management and internal control that build robust business operations.

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

2. Lack of Disaster Recovery Plan

Review of the College's ICT environment revealed that there was no formal approved disaster recovery / business continuity plan. In case of a disaster, significant delays or disruption of activities may occur. Further, the College may not recover or restore critical infrastructure services and systems affecting operations in case of a disaster affecting the Information Communication Technology installations.

In the circumstances, the College lacks a blue print for identifying, preventing and mitigating against disasters and ensuring business processes resume with minimal interruptions in the event of a disaster.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 September, 2022

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARENDED 30 JUNE 2021

Details	NOTE	2020/2021
		SHS
Revenue from non-exchange transactions		
GOK CAPITATION		7,595,000.00
		-
Total		-
Revenue from exchange transactions		
Tuition & Other Related Charges		19,876,370.00
Other income-Production unit		11,000,00.00
Total Revenue		27,482,370.00
Expenses		
Use of goods and services	4	10,984,603.00
RMI	5	3,407,527.00
Remuneration of Directors	7	1,512,880.00
Finance Cost	8	42,362.00
Depreciation	9	1,114,411.00
Employee cost	6	4,358,628.00
Total Expenses		21,420,411.00
Net Surplus/Deficit for the Period		6,061,959.00

The notes set out on pages 5 to 10 form an integral part of the Annual Financial Statements.

II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

DETAILS	NOTE	2019/2021	2020/2021
		SHS	SHS
Assets			
Current assets			
Cash and cash equivalents	13	211,234	46,004.00
Receivables from exchange transactions	16	925,000.00	11,716,980.00
Receivables from mentorship projects			-
Inventories	14		2,419,760.00
Non-current assets			
Property Plant & Equipment	21	61,435,750.00	67,056,370.00
Total Assets		62,571,984.00	81,239,114.00
Liabilities			
Current liabilities	15	1,798,000.00	4,696,626.00
Total Current liabilities			00.00
Non-Current Liabilities		1,798,000.00	
Capital Reserve	17	61,435,750.00	70,002,834.00
Total Non-Current Liabilities		63,233,750.00	74,699,460.00
Total Liabilities			
Revenue Reserve		-661,766.00	6,539,654.00
Net Asset			
Total net assets and liabilities		62,571,984.00	81,239,114.00

The Annual Financial Statements on pages 1 to 4 were signed on behalf of the Board of Governors on 28 September, 2021 and signed on its behalf by:

Finance Officer:.....
ICPAK No.: 11879

Date: 28/09/21.....

Principal:.....

Date: 28/09/21.....

Chairman of the Board:.....

Date: 28/09/21.....

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2021

Details	Capital Reserve	Revenue Reserve	Total
	Kshs	Kshs	Kshs
As At 30June 2021			
Surplus/Deficit for the period		6,061,959.00	6,061,959.00
Capital Reserve Fund	70,497,180.00		70,497,180.00

III. STATEMENT OF CASHFLOWS AS AT 30 JUNE 2021

DETAILS	NOTE	2020/2021
		SHS
Cash and cash equivalents at the beginning of the quarter		
Receipts		
Rendering of Training services		19,876,370.00
GoK Grants		7,595,000.00
Other Service(Production Unit)		11,000.00
Total Cash Inflows		27,482,370.00
Payments		
Use of goods and services	4	10,984,603.00
RMI	5	3,407,527.00
Employee Cost	6	4,358,628.00
Remuneration of Directors	7	1,512,880.00
Other payments		
Depreciation & Amortization	9	1,114,411
Finance Cost	8	42,362.00
Total Cash Outflows		21,420,411.00
Net Cash Flows From Operating Activities		6,539,654.00
Cash flow from investing activities		
Purchase of intangible assets		-
Purchase of non-current assets		-
Development expenses		
Net cash flow from investing activities		
Cash Flow from financing activities		
Development Grant		0
Net cash flow from financing activities		0
Net increase/Decrease in cash in hand		148,579.00
Cash and Bank balances b/f		211,234.00
Cash and cash equivalent as per the Statement of Financial Position	10	62,655.00

CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020/2021

	Group Insurance	106,850.00
	Caution money	2,100.00
	Other income - Tender	11,000.00
	Sub Total	19,876,370.00
	Total Income	27,482,370.00
4		
	USE OF GOODS AND SERVICES	
	Teaching and learning materials	366,320.00
	Local, Transport and Travel(L, T&T)	707,715.00
	Electricity)	72,805.00
	water	291,820.00
	Examination	883,700.00
	Medical	9,130.00
	Students Organization	28,200.00
	Industrial Attachment security	445,000.00
	Administration Cost	553,400.00
	Insurance	7,016,187.00
	Registration	253,750.00
	Library Levy	4,800.00
	Library Levy	342,626.00
	Student ID Cards	9,150.00
	Use of goods and services	10,984,603.00
	RMI	
	Repairs and maintenance	3,407,627.00
5	Total RMI	3,407,627.00
6	Employee Costs	
	Statutory deductions	
	Personal emoluments	4,358,628.00

CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020/2021

	Total Staff Costs		4,358,628.00
	Remuneration of Directors		
	Sitting & Transport allowance		1,512,880.00
7	Total remuneration of Directors		1,512,880.00
	Finance cost		
8	Bank charges		42,362.00
	Depreciation and amortization expense		
	Property, plant and equipment		-
	Intangible assets		-
9	Total Depreciation and amortization		1,114,411.00
	Taxation		
	Current income tax:		-
	Current income tax charge		-
	Income tax expense reported in the statement of financial performance		-
10	Cash and cash equivalents		
	Current account		
	Equity Bank		40,778.00
	KCB Bank		5,226.00
	National bank		16,651.00
	Gok Development A/c		
	Cash		
	Biological Assets		
	Total cash and cash equivalents		62,655.00

CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020/2021

11	Finance Cost									
	Bank Charges			42,362.00						
	Inventories									
	Drug/Medicine									
	Dry Food Stuffs									
	Inventories			2,419,760.00						
	Cleaning Materials									
12	Total inventories at the lower of cost and net realizable value									
	Trade and other payables from exchange transactions									
	Trade payables			4,038,476.00						
13	Payments received in advance			658,150.00						
	Payables from mentorship projects			00.00						
	Total trade and other payables			4,696,626.00						
	Outstanding receivables									
	NYS Sponsored Students									
	Other Students			11,716,980.00						
14	Total Outstanding Receivables			11,716,980.00						

15	Property, plant and equipment	Land and Buildings	Motor vehicle 25%	Furniture and fittings 12.5%	Computers 30%	Other	Plant and equipment 12.5%	Capital Work in progress	Total
	At 1 July 2020	58,867,250.00	445,000.00	2,023,500.00	960,700.00		545,000.00		62,841,450.00
	Additions	2,178,230.00	-	901,000.00	-	-	2,250,100.00	-	5,329,330.00
	Disposals	-	-	-	-	-	-	-	-
	Depreciation	-	111,250.00	365,563.00	288,210.00	-	349,388.00	-	1,114,411.00

I. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS AT 1 JULY 2020

Details	BUDGETED 2020/2021	ACTUAL 2020/2021	Variance Kshs	%
Revenue				
Transfers from other Govt entities Govt grants		7,595,000.00	7,595,000.00	0%
Rendringe/services- Fees from students	31,746,040.00	19,876,370.00	(-11,869,670.00)	-37%
Production unit (b)				
Total income	31,746,040.00	27,482,370.00	(4,263,670.00)	

CHAMASIRI TECHNICAL & VOCATIONAL COLLEGE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020/2021

Expenses				
Rendering of training service (Tuition)	17,594,550.00	3,098,433.00	(14,496,117.00)	-82%
L,T&T				
EWC				
Examination				
medical				
Staff Cost	6,510,000.00	4,566,556.00	(1,943,444.00)	-29%
RMI	2,000,000.00	3,407,627.00	1,407,627.00	70%
Administration Cost		6,699,327.00	6,699,327.00	0%
Student Organization				
Industrial Attachment				
Insurance				
Registration				
BOG Cost		1,480,580.00	1,480,580.00	0%
Security Services		553,400.00	553,400.00	0%
Development Fund	3,000,000.00		(3000,000.00)	-100-%
PU - Payments	331,500.00		(331,500.00)	100%
Library Levy				
ID				
Total Expenses	31,985,000	19,805,923.00	12,179,077.00	
Surplus/Deficitforthepe riod	(238,960.00)	7,676,447.00		

Explanatory Notes

- a) Non-disbursement of funds from the Ministry
- b) Delayed disbursement of funds from the ministry
- c) Revenue short falls to jump start the production unit activities

