

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK-AT-THE-TABLE:	MERCI OTUNDO

REPORT

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THE AUDITOR-GENERAL

ON

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)

FOR THE YEAR ENDED

30 JUNE, 2025



**LODWAR TECHNICAL AND VOCATIONAL COLLEGE
(LTVC)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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2. Key Entity Information and Management

(a) Background information

Lodwar TVC is a public TVET institution that was registered under the TVET Act, 2013 Section 20(1) on 14/01/2019 (Registration Number: TVETA/PUBLIC/TVC/0019/2019). The College is domiciled in Turkana Central Sub County, Turkana County in Kenya and under the Ministry of Education.

(b) Principal Activities

The mandate of the College is to provide quality technical, vocational and entrepreneurial skills that promote creativity for global challenges. We intend to be a centre of excellence in the provision of quality and relevant technical training.

(c) Key Management

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

- Board of Governors Management.
- Accounting officer/ Principal
- Management.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Japheth M Kiboi
2.	Deputy principal Academics	Charity Asuroi
3.	Registrar (s)	James Paulo Lachule
4.	Dean of students	Elphas K. Sang
5.	Finance Officer	Jackson Eregae

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(e) Fiduciary Oversight Arrangements

- *Audit, risk and compliance committee activities*
 - ✓ Review internal and external audit reports and monitor implementation of audit recommendations.
 - ✓ Ensure financial statements present a true and fair view in accordance with applicable standards.
 - ✓ Identify, assess, and monitor key organizational risks.
 - ✓ Review the adequacy of the Risk Management Framework and Disaster Recovery Plans.
- *Finance, Infrastructure and Administration committee activities*
Review and recommend approval of budgets, financial statements, and financial policies.
 - ✓ Monitor revenue generation, expenditure, and budget implementation.
 - ✓ Oversee planning, procurement, and maintenance of infrastructure projects.
 - ✓ Ensure value for money, sustainability, and compliance with procurement laws.
 - ✓ Review staffing levels, human resource policies, and administrative efficiency.
 - ✓ Oversee asset management and ensure adherence to administrative regulations.
 - ✓ Explore and recommend strategies for financial sustainability and investment.
- *Education, Training and Research committee activities.*
 - ✓ Monitoring adherence to financial and procurement regulations in training and research programs.
 - ✓ Ensuring accountability in the utilization of education and research funds.
 - ✓ Reviewing performance reports and outcomes of funded training and research initiatives.
 - ✓ Ensuring alignment of educational and research expenditures with strategic institutional objectives.

(f) Entity Headquarters

P.O. Box 20-30500,
Lodwar-Kitale Highway
LODWAR, KENYA.

(g) Entity Contacts

Lodwar Technical and Vocational College
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Telephone: (254) 758867355/ 758867332/ 722920124.

E-mail: lodwartechical@gmail.com Website: info@lodwartvc.ac.ke

(h) Entity Bankers

National Bank of Kenya Lodwar Branch
P.O Box 20-30500,
Lodwar, Kenya

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(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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3.The Board of Governors



LINUS EKAI EVANS
Chairperson: Board Of Director
DOB: 12-08-1976

Masters of Education in Educational Administration and planning Catholic University of East Africa (CUEA), Post Graduate Diploma in Education (PDGE) History and Christian Religious Education (Hist & CRE), Catholic University of East Africa (CUEA), Bachelors of Sacred theology – Urbanian University in Rome, Italy

Tutor at Kibaha University, Lodwar Campus. Chairperson Board of Management (St. Kevins and Katilu Boys Secondary Schools), Member of County Education Board – Turkana County



EJORE IKAMAR
Chairperson: Finance, Administration and Infrastructure Committee.
DOB: 09-09-1977

Bachelors of Commerce in Management option, Catholic University of East Africa (CUEA), Advanced Diploma in Business management, Catholic University of East Africa (CUEA) Diploma in Business Management, Catholic University of East Africa (CUEA)

Regional Manager Toyota Kenya, Worked as Lodwar Branch Manager -Toyota Eldoret branch Parts Manager, Parts Supervisor Toyota,



DR. JULIUS KETER
Member of the BoG
DOB: 16-06-1975

PHD in Technology education TVET option at University of Eldoret.

Chairman at department of Technology education at Moi University. Lecturer in the department of Technology Education



Eng. FELIX NYONGESA
Finance, Administration and Infrastructure Committee Member
DOB: 05-08-1980

Bachelors of Science in Civil Engineering Diploma in Civil Engineering, Eldoret Polytechnic

Senior Inspector Turkana County Government Ministry of Roads and Public works, Site Agent, NOLA Limited-Chwele-Sango road project. KENHA, Roads Inspector (Chavakali, Kapsabet road project)



DHYMPHINE E. ILLIKWEL
CHAIRPERSON AUDIT COMMITTEE
DOB: 05-10-1986

MBA in Accounting option, Mt Kenya University

Project Logistics officer at world vision, Director of accounting services at Turkana County Government.



JANET BOSIBORI
Finance & Administration Committee Member
DOB: 09-01-1989

Key qualifications: Bachelors of Science in Surveying technology.

Land Surveyor at Turkana County Government



Eng. ANNE MWALYA
BOG Member
DOB: 19-03-1991

Masters in Civil Engineering Bachelors in Civil Engineering

UNICONSULT Kenya-Assistant site Engineer



JAPHETH M. KIBOI
Principal/Secretary to BOG
DOB: 22-12-1967

Masters in Technology Education-Power Mechanics(UoE)
 Principal-Lodwar TVC

Lodwar Technical and Vocational College
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4. Key Management Team



JAPHETH M. KIBOI
Principal/Secretary to BOG

- Masters in Technology Education -Power Mechanics
- Bachelor of Technology Education- Power Mechanics
- Dip Agricultural Engineering(JKiut)
- Dip Technical Education(Mechanical)
- Dip Education Management(KEMI)
- Cert. Senior Management Course(KSG)



SAMSON CHENGE KILISWA
Deputy Principal Finance & Admin

- Ongoing Masters in Education Leadership & Policy
- Bachelor in Education Technology-Electrical & Electronics
- Diploma in Electrical (Power Option)



CHARITY ARUSEI
Deputy Principal Academics

- Bachelors Degree in Hospitality Management



JAMES PAULO LACHULE
Registrar

- Msc Water Engineering
- Bsc Civil Engineering
- Dip Water Engineering



ELPHAS K. SANG
Dean of Students.

- Higher diploma in Construction (Building and Civil engineering option)
- Diploma in Bible & Theology at NHB



JACKSON K. EREGAE
Finance Officer

- Ongoing Masters In Business Administration Finance Option (Turkana University College)
- Bachelor of Commerce - Finance Option -KU
- CPA Part 1

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5. Chairman's Statement

Lodwar Technical and Vocational College (LTVC) community, stakeholders and general public expect us as a Board of Governors to provide effective institutional management in order to propel the institution to higher competitive levels in technical training and research. To this end, the BoG developed a Strategic Plan to guide its operations. The strategic plan provides the framework for initiatives to be undertaken to orient Lodwar Technical and Vocational College to keep abreast with changing societal needs and technology. This plan focuses on the Vision and Mission of Lodwar Technical and Vocational College and outlines fundamental areas that are strategic for efficient service delivery and takes into cognizance the Ministry's position in TVET sub-sector and government of Kenya Vision of industrialization by the year 2030. The successful implementation of this plan hinges on the belief that key stakeholders including GoK, BOG, parents, community, staff and students of LTVC will play their respective roles effectively. As a Board, we wholly embrace this plan and assure our stakeholders of our unlimited support in its implementation. Being the first Board of Governors to Lodwar TVC, we endeavour to see Processes and Policies needed for Effective and Efficient Quality Assurance and Quality Control established, implemented and maintained in the college. We are calling for continued financial support from the Government as we struggle with the challenges of low enrolment of trainees which has led to lower availability of funds since funding/capitation depends on the number of trainees enrolled, hence lack of a Stable financial position of the college. The institution wishes to thank the Government through the Ministry of Education (M.o.E) and the entire public for their continued support to the college.



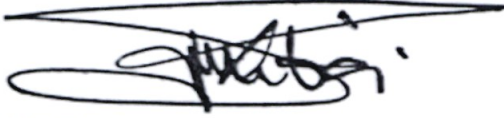
Fr. Linus Ekai Chairman Board of Governors



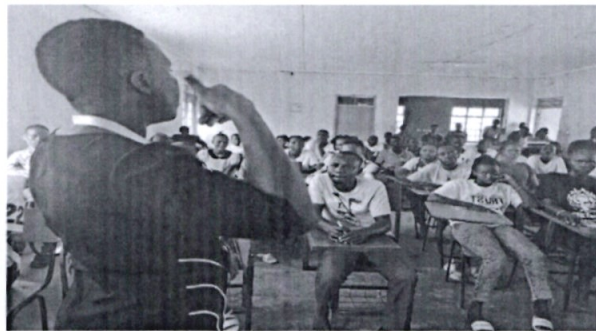
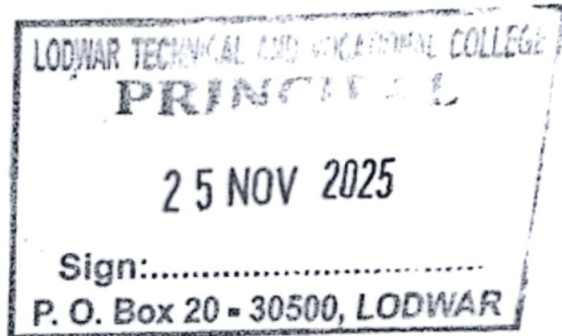
6. Report of the Principal

Since its inception, Lodwar Technical and Vocational College has made great strides in ensuring it delivers on its mandate as a middle level Technical and Vocational Education training College, in ensuring the youth and young adults acquire the skills and technical knowledge that are relevant to technological advancement and industrial growth of our country. The college has fully embraced the Competency based education and training curriculum, aligning ourselves to the changing industry requirements in technical training. The college is strategically located in Turkana Central and is poised to be a regional leader In Provision of Technical Education and Training given our unique geographical location in the Northern Kenya that has potential for blue economy and cottage industries to provide a huge job market for our graduates. These include the construction industry, hospitality and tourism industry, and the green energy sector as the destination for hundreds of our graduates. The rural – urban setting of the College has enabled the College to enter into Memorandum of understanding with local Small and medium enterprises and industry players to facilitate dual training as a key component of competency based education and training curriculum. Trainees have had the Opportunity to undertake their studies both in the college and industry to enable them gain practical work experience and advancement in technology. The college encourages the communities around the institution as stake holders to construct private hostels around the institution to provide affordable accommodation for our trainees. The college has a unique symbiotic relationship with the surrounding community which has been very supportive by donating land for its construction. The high-level discipline among our trainees coupled with the teamwork between the trainers and support staff has ensured harmony and synergy in the college’s learning environment. They require special recognition for their endless dedication in serving the trainee community. This team is qualified in their own area of professional expertise which has put the College in its rightful place to favourably complement others in ensuring the college meets its core mandate. The Board of Governors, on its part, has rendered dedicated service in ensuring the institution achieves excellence in its programmes, in addition to being an important link with the Government of Kenya through the Ministry of Education which has been instrumental in ensuring the College is well managed to achieve its goals. We look forward to continued financial support from the National Government as we manage the challenges of inadequate resources as trainee enrolments increase which has led to acute shortage of infrastructure and facilities. The institution also faces a serious problem of land encroachment which has resulted to the college losing a huge chunk of its land. The college also wishes to thank the Government through the Ministry of Education and State Department for Technical and Vocational Education training for the recruitment of new trainers. However, the college still suffers a serious shortage of trained public service commission negatively impacted the training as currently the college has 30 Board of Governors trainers against a paltry 14 public service commission trainers. Due to the challenges the college only managed to raise Kshs.19,955,001 from student fees and other incomes out of the budgeted revenue of Kshs.50,878,500 and spent Kshs.21,781,675 or 43% of the budgeted expenditure.

JAPHETH KIBOI



PRINCIPAL/BOG SECRETARY



Lodwar Technical and Vocational College
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7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entities

Performance against predetermined objectives

Lodwar technical and vocational college has three strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY2024- FY2025. These strategic pillars are as follows:

- a) The Economic Pillar: Aims to provide prosperity for all Kenyans by attaining an annual Economic growth rate of 10% and sustain it throughout the vision period. Under this pillar, flagship projects have been identified in key sectors as agriculture, Manufacturing, wholesale and retail, business process outsourcing and financial services.
- b) The Social Pillar: To achieve this, the priority sector identified are Education and Training, Health, water and sanitation, the environment, housing and urbanization, gender, youth, sports and vulnerable groups.
- c) The Political Pillar: The specific areas identified for achievement of this aspiration are Respect for the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

Lodwar technical and vocational college develops its annual work plans based on the above three pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Lodwar technical and vocational college achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the table below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	The Economic Pillar	Providing prosperity to all Kenyans by attaining an annual economic growth rate of 10% and sustain it throughout the vision period. under this pillar, flagship projects have been identified in key sectors as	Setting up of an Institution practical farm/garden	Farming	Gain of skills and knowledge by the trainees

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		tourism and agriculture			
Pillar 2	The Social Pillar:	To achieve this, the Prioritizing key sectors such as education and training, Health, water and sanitation, the environment, housing and urbanization, gender, youth, sports and vulnerable groups	Creation of 2 sports playing ground Identifying areas where tree Planting.	Training soccer and athletics Indigenous tree planting	Participated in KATTI games. 30 trees successfully planted
Pillar 3	The Political Pillar	Respecting the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.	Creation of a consultative forum with Judicial and electoral political processes.	Hosting of electoral political processes trainings.	1 IEBC Voter Registration training of clerks exercise hosted.

8. Corporate Governance Statement

I. Board Composition and Governance:

The LTVC Board of Governors (BoG) is established under the Technical and Vocational Education and Training Act of 2013 and the Public Appointments (Parliamentary Approval) Act of 2011. Board members are chosen by the Cabinet Secretary for Education based on their expertise, professional backgrounds, and representation of vital stakeholder groups, including industry, the community, and the County Government. The process for removing directors is stipulated by the TVET Act and the Mwangozo Code of Governance for State Corporations, covering instances of misconduct, incapacity, or breaches of fiduciary duty.

The Board consists of nine members, ensuring diversity in gender (adhering to the two-thirds gender rule), professional experience, and geographical representation. A Board Charter serves as a guide for the Board's operations, detailing the roles, responsibilities, and expected conduct of its members in fulfilling their governance mandate.

II. Board's Responsibilities and Activities:

The Board is responsible for providing strategic leadership, oversight, and policy direction to LTVC. Its core functions include the approval of strategic plans, budgets, and institutional policies; ensuring sound financial management and accountability; overseeing the implementation of government policies and regulatory frameworks; managing risks effectively, including internal controls and compliance; appointing and evaluating the performance of the Principal; and fostering institutional autonomy, integrity, and academic excellence.

III. Member Development and Training:

New Board members participate in an induction program, coordinated by the Principal and the State Department for TVET, to familiarize them with the institution's operations, governance structure, and regulatory requirements. Ongoing training and capacity-building are facilitated through the Kenya School of Government (KSG) and other accredited bodies to keep members informed about current governance, financial, and educational trends.

IV. Performance Assessment:

The effectiveness of the Board and its individual members is assessed annually. This evaluation uses a standardized tool provided by the State Department for TVET, aligned with the Mwangozo Code of Governance. The assessment focuses on governance effectiveness, member engagement, integrity, and contributions to the institution's goals. Identified areas for improvement are addressed through targeted training and mentorship.

V. Meeting Frequency and Participation:

During the 2024/2025 financial year, the Board convened six times: four regular meetings and two special sessions to discuss policy, financial, and operational matters. Board members

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exhibited strong commitment, with an average attendance rate of 90% across all meetings. Attendance records are meticulously maintained and included in the annual performance review.

VI. Leadership Continuity Planning:

LTVC has established a Succession Planning Policy to ensure leadership continuity and organizational stability. This policy outlines the procedures for identifying and preparing potential candidates for key leadership and management roles, such as the Principal and heads of departments.

VII. Conflict of Interest Management:

A Conflict of Interest Policy is in effect to promote transparency and integrity in decision-making processes. Board members are required to disclose any personal or financial interests at the commencement of each meeting and to recuse themselves from discussions where conflicts are present, in adherence to Section 12 of the Leadership and Integrity Act, 2012.

VIII. Member Compensation:

Board members receive remuneration and allowances as determined by the Salaries and Remuneration Commission (SRC). Compensation is based on meeting attendance and adheres to government guidelines for State Corporations and Public Institutions.

IX. Ethical Standards and Conduct:

The Board adheres to high ethical standards and integrity principles, as mandated by the Leadership and Integrity Act, 2012, and the Mwongozo Code of Governance. Members are committed to a Code of Conduct and Ethics that promotes accountability, objectivity, and professionalism in all institutional activities.

X. Governance Review:

A Governance Audit was conducted in accordance with the Mwongozo Code to evaluate adherence to good governance principles. This audit examined governance structures, risk management processes, accountability mechanisms, and stakeholder engagement. Recommendations arising from the audit have been implemented to enhance governance practices.

XI. Information Dissemination Policy:

LTVC operates under a Communication and Public Relations Policy to ensure the timely, accurate, and transparent sharing of information with stakeholders. This policy encourages open communication channels through the institution's website, newsletters, and public forums, in compliance with the Access to Information Act, 2016.

XII. Committee Operations:

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The Board delegates specific tasks to specialized committees, each with defined Terms of Reference (ToR), to improve efficiency and accountability. The primary committees include:

Finance, Infrastructure, and Administration Committee

Audit, Risk, and Compliance Committee

Education, Training, and Research Committee

The ToR for each committee clearly outlines its responsibilities, authority, reporting requirements, and meeting schedule.

XIII. Policy on Transactions with Related Parties:

LTVC maintains a Related Party Transactions Policy to ensure that all dealings with related parties are conducted transparently and at fair market value, thereby preventing undue influence or preferential treatment. All such transactions are disclosed in the financial statements, in accordance with International Public Sector Accounting Standards (IPSAS 20).

9. Management Discussion and Analysis

Financial Performance Overview

1. Revenue Performance

Total Revenue increased dramatically from **Kshs.25,999,139 (2023-2024)** to **Kshs. 67,513,286 (2024-2025)**, a **260% growth**.

Rendering of Services (Student Fees) surged from **Kshs.14,213,848** to **Kshs.62,178,781(a 437% increase)**.

Government Grants dropped from **Kshs.11,754,289** to **Kshs. 5,286,405 (a 45% decrease)**.

2. Expense Analysis

Total Expenses rose from **Kshs. 18,013,247** to **Kshs. 24,084,583 (134% increase)**, but remained well below revenue growth.

Use of Goods & Services: **Kshs.6,926,820** → **Kshs. 15,864,980 (229% increase)** – Possibly due to expanded operations.

Repairs & Maintenance: **Kshs. 64,790** → **Kshs. 892,000**– Significant investment in repairs of infrastructure.

Employee Costs: Fell from **Kshs. 7,202,675** to **Kshs. 4,062,068** (due to staff restructuring).

Director Remuneration: Slightly decreased (**Kshs 782,900** → **Kshs. 623,600**).

3. Profitability Surge

Net Surplus skyrocketed from **Kshs. 7,985,891** to **Kshs. 43,428,703 (543% growth)**.

The college faces a number of challenges majorly due to its location in the ASAL region of Kenya where poverty levels are high and fee payment from students is almost to zero and the college only relies on capitation and operational grants from the Ministry. In addition, the college suffers a serious shortage of trained public service commission negatively impacted the training as currently the college has 30 Board of Governors trainers against a paltry 14 public service commission trainers.

The college also lacks enough classrooms as the number of students is rising and also hostels are not enough for the rising number forcing students to commute from far to attend classes.

The college did not receive any development grants during the year and from the little that was collected from student fees, construction of two other classrooms commenced and had not been completed as at June 2025.

10. Environmental and Sustainability Reporting Statement

Lodwar TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our mandate, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

The top management aims to make reference to sustainable efforts, broad trends in political and macroeconomic sustainability priorities, international best practices and key achievements and failure.

Environmental performance

Lodwar TVC is committed to environmental sustainability. To this end LTVC is in the process of developing an environmental policy to guide the college.

Employee welfare

LTVC is developing policies guiding the hiring process that will take into account the gender ratio, stakeholder engagements and how often they will be improved. Efforts will be made to improve skills and managing careers, appraisal and reward systems. The college is yet to develop a policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

a) Responsible competition practice.

The college has endeavoured to ensure Responsible competition practice through the ways it recruits its staff and procurement of goods and services. It has been the practice of the college to advertise through bulletins, social media, website and notice boards all its vacancies and procurement requirements. In all cases, committees and panels have been set up to ensure fairness.

b) Responsible Supply chain and supplier relations

The College demonstrates responsible business practices by upholding contractual agreements and treating suppliers with respect. Their commitment to honouring contracts ensures that suppliers receive timely payments and fair treatment. Whether procuring teaching and learning supplies, or other essentials, the College prioritizes transparency, reliability, and ethical conduct. By maintaining strong relationships with suppliers, they contribute to a sustainable and efficient learning system for the community.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The College demonstrates ethical marketing practices through several initiatives. Firstly, they prioritize transparency and community engagement, actively communicating with the community about services, programs, and achievements. Secondly, their student-centric approach ensures clear communication about available courses, fee payment options, and student rights. Thirdly, they practice cultural sensitivity, considering Turkana's unique context in marketing materials. Fourthly, collaboration with NGOs and partners strengthens their reach, enhancing community awareness. Lastly, maintaining high standards of care contributes to a positive reputation, as satisfied students become advocates for the college's ethical practices.

d) Product stewardship or Awareness Creation

Students are provided with clear information on all courses available and the fee structures for the courses. Data protection is assured under the Data Protection Act, 2019, with safeguards administered by the County.

Corporate Social Responsibility

Corporate social responsibility is an important mandate of the college to the community, having knowledge of how Corporate Social Responsibility can transform our college. It's unfortunate that our budget cannot support Corporate Social Responsibility at the moment bearing in mind that funding of Technical and vocational education training colleges is tied on the number of trainees the college has. It's worth noting that our college is still young with low enrolment of trainees by the virtue of it being located in ASAL area where tapping of trainees is such a herculean task. Consequently, due to low number of trainees, it has resulted to a more constrained budget which has made the college to put Corporate Social Responsibility on hold.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2025 which show the state of the affairs of Lodwar TVC

Principal activities

The principal activity/mission/ mandate of the Lodwar TVC are to provide quality technical, vocational and entrepreneurial skills that promote creativity for global challenges. We intend to be a centre of excellence in the provision of quality and relevant technical training.

Results

The results of the entity for the year ended June 30th 2025 are set out on page 1-8

Board of Governors

The members of the Board who served during the year are shown on page vi.

Auditors

The Auditor General is responsible for the statutory audit in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2025.

By Order of the Board

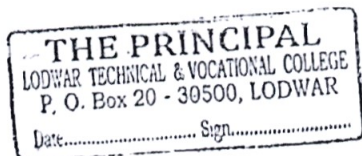


.....
Secretary of the Board

Nairobi

Date:

25/11/2025



12. Statement of Board of Governors 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 entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The board of governors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The board members are also responsible for safeguarding the assets of the entity.

The Board members are responsible for the preparation and presentation of the **Lodwar TVC** financial statements, which give a true and fair view of the state of affairs of the institution for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013. The board members are of the opinion that the **Lodwar TVC** financial statements give a true and fair view of the state of **Lodwar TVC** transactions during the financial year ended 30th June 2025, and of the **Lodwar TVC** financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Institution 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 entity will not remain a going concern for at least the next twelve months from the date of this statement

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

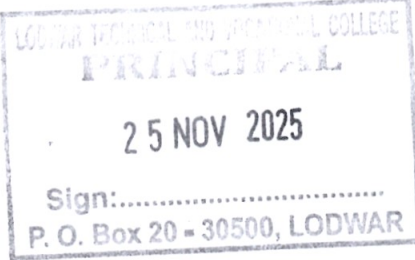
Approval of the financial statements

The financial statements were approved by the Board on 25/11/2025 2025 and signed on its behalf by:

FE EVANS
.....
Name FEKAL LINUS EVANS
Chairperson of the Board

25/11/2025

JAPHETT KIBOI
.....
Name JAPHETT KIBOI
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 LODWAR TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Qualified Opinion

I have audited the accompanying financial statements of Lodwar Technical and Vocational College set out on pages 1 to 39, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Lodwar Technical and Vocational College as at 30 June, 2025 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 comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.515,493,614 as disclosed in Note 17 to the financial statements which includes land valued at Kshs.468,000,000. However, the assets register provided for audit reflects land valued at Ksh.418,854,050 resulting into unexplained or unreconciled variance of Kshs.49,145,950. Further, the land estimated to be fifty (50) acres did not have ownership and valuation reports to confirm the acreage, ownership and value of the land.

In the circumstances, the size, ownership, accuracy and completeness of land balance of Kshs.468,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lodwar Technical and Vocational College Management in accordance with ISSAI 130 on the 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.50,878,500 and Kshs.19,955,001 respectively, resulting to under-funding amounting to Kshs.30,923,499 or 61% of the budget. Similarly, the College incurred an expenditure of Kshs.21,781,675 against

receipts of Kshs.19,955,001 resulting into an over -expenditure of Kshs.1,826,674 or 9% of the receipts.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the basis for qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

No	Year	Unresolved Matters
1	2023/2024	Lack of ownership documents and valuation of land
2	2023/2024	Unsupported travel and other allowances
3	2023/2024	Variance between financial statements and supporting schedules
4	2023/2024	Budgetary control and performance
5	2023/2024	Accreditation of trainers
6	2023/2024	Appointment of the Board
7	2023/2024	Performance of the Board
8	2023/2024	Failure to establish internal audit unit and audit committee
9	2023/2024	Lack of risk management policy and disaster recovery plan

Other Information

The Management is responsible for the Other Information set out on page iii to xxi which comprise of key entity information and management, the board of governors, management team, chairman's statement, report of the principal, corporate governance statement, management discussion and analysis, environmental and sustainability reporting, report of the board of governors, statement of board of governors' responsibilities, and statement of performance against predetermined objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Lodwar Technical and Vocational College financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If

based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Charge and Remit the Public Procurement Capacity Building Levy

The statement of financial performance reflects total payments of Kshs.24,084,583 out of which Kshs.15,864,980 was incurred in respect to use of goods and services. However, there was no evidence of a public procurement capacity building levy charged on procurement contracts signed contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy order, 2023 which requires all suppliers to pay a levy of 0.03% on all procurement contracts signed between the supplier and a procuring entity.

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

2. Lack of Accreditation of Trainers

Analysis of personnel records of trainers recruited by the Board in the College revealed that none had accreditation by the Technical and Vocational Education and Training Authority contrary to Section 23 of Technical and Vocational Education and Training Act, 2013 which requires trainers to be registered with a professional body and accredited by the Authority. Unlicensed trainers may lack the necessary qualifications, experiences, skills and expertise in their field leading to inadequate instruction.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.54,563,099 as disclosed in Note 15(a) to the financial statements. The amount relates to students' fee arrears and the receivables increased by Kshs.46,014,767 or 540% from Kshs.8,521,332 reported in the previous financial year. Further, the Management has not provided an explanation as to why the receivables are on an increasing trajectory and the strategies that have been put in place to ensure that the debts are recovered in time. Failure to receive debt payments may adversely affect the cash flow of the institution thereby affecting service delivery to the students. This was contrary to regulation 83(2)(g) of the Public Finance Management (National Government) Regulations, 2015 states that for purposes of this regulation sound cash management includes pursuing debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the government are collected and banked promptly.

In the circumstances, the effectiveness of the recovery mechanisms employed by management on the receivables from exchange transactions could not be confirmed.

2. Performance of the Board

Review of documents provided for audit revealed that the Board operated without a Board Charter and an annual work plan was not prepared and submitted to the State Corporations Advisory Committee (SCAC). This was contrary to Paragraph 1.11 and 1.9 of the Mwongozo Code of Governance for State Corporations which requires the Board to adopt a Board charter and prepare an annual work plan. In addition, the Board did not conduct an annual self-evaluation of its performance contrary to paragraph 1.12 of the Mwongozo Code of Governance for State Corporations which requires the Board to undertake an annual evaluation of its performance.

In the circumstances, the effectiveness of the Board in governance of the College could not be confirmed.

3. Cash Book and Bank Reconciliations Management

The statement of financial performance reflects cash and cash equivalents amount of Kshs.8,208,551 as disclosed in Note 14 to the financial statements. Review of the cash book, bank reconciliation, and bank statement provided for audit revealed that the cashbook cheque column field was incomplete and reconciliations were not signed by the preparer and checked by senior officer. Further, the officer who prepares the cash books is the same officer who prepares the monthly bank reconciliation statements. This was contrary to regulation 83 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires that the accounting officer be responsible for establishing sound cash management systems, procedures, and processes to ensure efficient and effective banking and cash management practices.

In the circumstances, the effectiveness of internal controls on cash management which includes proper maintenance of cash book and preparation of the bank reconciliations could not be confirmed.

4. Enterprise Resource Planning, System Study and Gap Analysis

Review of available documents revealed that the College entered into a contract agreement on 22 February, 2024 with a local vendor to supply the College with an Enterprise Resource Planning System (ERP) with four (4) modules namely; student admission management, finance and accounts management, procurement and stores management and student academic/examination management at a contract sum of Kshs.1,100,000. Review of the ERP system done in October, 2025 revealed that although staff were trained on the four modules procured, the system had not been effectively utilized as end users demonstrated limited knowledge and faced challenges operating the system, resulting in unreliable data outputs.

In addition, information extracted from the system could not be relied upon for preparing financial statements as reports/ledgers extracted from the system contained wrong amounts and dates. Further, Management had not conducted or documented a risk assessment of the ERP system and as a result, potential risks associated with the system's implementation and operation may remain unidentified and unaddressed, exposing the College to operational and data integrity risks.

In the circumstances, the College may not have obtained value for money and the College's programmes may have been adversely affected by lack of knowledge by the end users.

5. Failure to Establish Internal Audit Unit and Audit Committee

During the year under review, the College had not established an audit committee of the Board and internal audit function with a substantive internal auditor. This was contrary to section 73(5) and 155 of Public Finance Management Act, 2012 which requires the accounting officer to make appropriate arrangements for conducting internal audit and establishment of an audit committee. Further, the College's approved organogram was

not updated to include the functional reporting to the Audit Committee by the Head of the Internal Audit Function and administratively to the Accounting Officer.

In the circumstances, the effectiveness of internal control, risk management and fraud prevention could not be confirmed.

6. Lack of Risk Management Policy and Disaster Recovery Plan

Review of the internal controls of the College revealed that the Management had not developed a risk management policy. In addition, the College did not have a disaster recovery plan or business continuity plan to ensure that the entity recovers its functionality in case of an unplanned incident or disaster. This was contrary to regulation 165(1) of the Public Finance Management (National Government) Regulation, 2015 which provides that the Accounting Officer shall ensure that the national government entity develops a risk management strategy, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of internal control, risk management and fraud prevention could not be confirmed.

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 controls, 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 the Management and Board of Governors

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 governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how 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 Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

4 December, 2025

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for The Year Ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	5,286,405	11,754,290
Transfers from other National Government entities-Helb Scholarship and Capitation	6a	-	-
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Total Revenue from Non-Exchange transactions		5,286,405	11,754,290
Revenue from Exchange transactions			
Rendering of services- fees from students	7	62,178,781	14,213,848
Sale of goods		-	-
Rental revenue from facilities and equipment	8	48,100	31,000
Finance income		-	-
Miscellaneous income		-	-
Revenue from Exchange transactions		62,226,881	14,244,848
Total Revenue		67,513,286	25,999,138
Expenses			
Use of goods and services	9	15,864,980	6,926,820
Employee costs	10	4,062,068	7,202,675
Board /Council Expenses	11	623,600	782,900
Depreciation and amortization expense	12	2,641,935	3,036,063
Repairs and maintenance	13	892,000	64,790
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
Total Expenses		24,084,583	18,013,247
Other Gains/(Losses)			
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		43,428,703	7,985,891

The notes set out on pages 9 to 39 form an integral part of the Annual Financial Statements. The Financial Statements set out on pages 1 to 8 were signed by:

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

J. Evans

.....
Chairman of Council/Board

Date 25/11/2025

[Signature]

.....
Principal

Date 25/11/2025

LODWAR TECHNICAL AND VOCATIONAL COLLEGE
PRINCIPAL
25 NOV 2025
Sign:.....
P. O. Box 20 - 30500, LODWAR

[Signature]

.....
Finance Officer

ICPAK No

Date 25/11/2025

FINANCE
Lodwar Technical and Vocational College
Sign:.....
P. O. Box 20 - 30500, LODWAR

Lodwar Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025


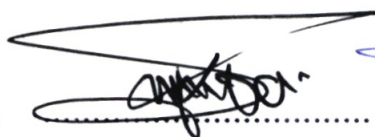
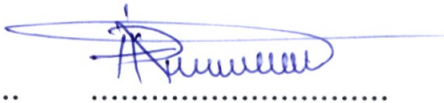

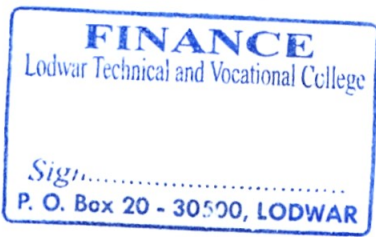
15. Statement of Financial Position as at 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	8,208,551	10,035,225
Current portion of receivables from exchange transactions	15(a)	54,563,099	8,521,332
Receivables from non-exchange transactions		-	-
Inventories	16	864,576	-
Investments in financial assets		-	-
Total Current Assets		63,636,226	18,556,557
Non-Current Assets			
Long term receivables from exchange transactions		-	-
Investments		-	-
Property, plant, and equipment	17	515,493,614	516,289,298
Intangible assets	18	733,700	1,100,000
Investment property		-	-
Biological Assets		-	-
Total Non-Current Assets		516,227,314	517,389,298
Total Assets (A)		579,863,540	535,945,855
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	4,783,118	3,874,136
Refundable deposits from customers	20	-	420,000
Current provisions		-	-
Finance lease obligation		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance		-	-
Current portion of borrowings		-	-
Social Benefits		-	-
Total Current Liabilities		4,783,118	4,294,136
Non-Current Liabilities			
Finance lease obligation		-	-
Deferred income		-	-
Non-Current Employee Benefit Obligation		-	-
Non- Current Borrowings		-	-

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Non-Current Provisions		-	-
Service Concession Liability		-	-
Social benefits		-	-
Total non- current liabilities		-	-
Total Liabilities (B)		4,783,118	4,294,136
Net Assets (A-B)		575,080,422	531,651,719
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		50,201,047	6,772,344
Capital Fund		524,879,375	524,879,375
Net Assets		575,080,422	531,651,719

The notes set out on pages 9 to 39 form an integral part of the Annual Financial Statements. The Financial Statements set out on pages 1 to 8 were signed by:

		
.....
Chairman of Council/Board	Principal	Finance Officer
Date 25/11/2025	Date 25/11/2025	ICPAK No Date 25/11/2025
		

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2023	-	(1,213,547)	524,879,375	523,665,828
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	7,985,891	-	7,985,891
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund	-	-	-	-
Retained earnings				-
At June 30, 2024	-	6,772,344	524,879,375	531,651,719
At July 1, 2024	-	6,772,344	524,879,375	531,651,719
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	43,428,703		43,428,703
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund	-	-	-	-
Retained earnings				-
At June 30, 2025	-	50,201,047	524,879,375	575,080,422

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17. Statement of Cash Flows for the Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		5,286,405	11,754,290
Transfers from other National Government entities-Helb Scholarship and Capitation		-	-
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		14,620,496	14,213,848
Sale of goods		-	-
Rental revenue from facilities and equipment		48,100	31,000
Finance income		-	-
Miscellaneous income		-	-
Total Receipts		19,955,001	25,999,138
Payments			
Use of goods and services		14,717,947	6,926,820
Employee costs		4,326,888	7,202,675
Board Expenses		623,600	782,900
Repairs and maintenance		1,568,240	64,790
Contracted services		-	-
Grants and subsidies		-	-
Total Payments		21,236,675	14,977,185
Net Cash Flows from operating activities	21	(1,281,674)	11,021,953
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(545,000)	(2,026,000)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(545,000)	(2,026,000)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(1,826,674)	8,995,953
Cash and Cash equivalents at 1 JULY 2024	14	10,035,225	1,039,272
Cash and Cash equivalents at 30 JUNE 2025	14	8,208,551	10,035,225

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Performance Difference	Utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget Carryovers from the Previous Year						
Receipts	-	-	-	-	-	-
Transfers from other National Government Entities	-	-	-	-	-	-
Transfers from Other National Government Entities Helb Loan, Scholarship and Capitation	6,000,000	-	6,000,000	5,286,405	713,595	88
Grants from Donors and Development Partners	-	-	-	-	-	-
Transfers from Other Levels of Government	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Rendering of Services - Fees from Students	44,878,500	-	44,878,500	14,620,496	30,258,004	33
Sale of Goods	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	48,100	(48,100)	-
Finance Income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Receipts	50,878,500	-	50,878,500	19,955,001	30,923,499	39
Payments						
Use of Goods and Services	19,962,270	-	19,962,270	14,717,947	5,244,324	74
Employee Costs	3,696,000	-	3,696,000	4,326,888	(630,888)	117
Board/Council Expenses	1,320,000	-	1,320,000	623,600	696,400	47
Repairs and Maintenance	767,500	-	767,500	1,568,240	(800,740)	204
Contracted Services	-	-	-	-	-	-
Grants and Subsidies	-	-	-	-	-	-
Total Expenditure	25,745,770	-	25,745,770	21,236,675	4,509,096	82
Capital Expenditure Payments	25,132,730	-	25,132,730	545,000	24,587,730	2
Total Expenditure	50,878,500	-	50,878,500	21,781,675	29,096,826	43
Surplus	-	-	-	(1,826,674)		

Budget notes

Total Receipts: Kshs. 19,955,001 against a budget of Kshs. 50,878,500 (performance 39%)

Variance: Kshs. 30,923,499 (unrealized income).

Key Observation:

The low revenue realization was primarily attributed to **lower-than-expected student enrolment** and **delayed disbursements** from the national government.

Total Expenditure: Kshs. 21,781,675 (43% utilization). Low utilization was occasioned by lack of funds for development projects as fee collections was low during the year.

At the close of the financial year, the institution recorded a **budget deficit of Kshs. 1,826,674**, primarily due to expenditure exceeding realized revenue. Despite this, the institution maintained operational stability by prioritizing essential spending and deferring non-critical development projects.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
1	Actual Surplus Amounts as per the statement of Budget	(1,826,674)
2	Opening Bank Balance	10,035,225
3	Closing Cash and Cash Equivalent as per the statement of Cash flows	8,208,551

19. Notes to the Financial Statements

1. General Information

Lodwar TVC is a public TVET institution that was registered under the TVET Act, 2013 Section 20(1) on 14/01/2019 (Registration Number: TVETA/PUBLIC/TVC/0019/2019). The College is domiciled in Turkana central sub county, Turkana County in Kenya and Under the Ministry of Education.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There are no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i>

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Non- Current Assets Held for Sale and Discontinued Operations	The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

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	<ul style="list-style-type: none">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **21/06/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of

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expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The College is exempt from paying taxes.

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.



d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 2024/2025-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity

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instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k) Inventories

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

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

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

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.

Inventories (Continued)

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.

l) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The College does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The College does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) 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.

p) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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

t) Service concession arrangements

The Lodwar TVC analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the College recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) 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, 2025.

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

Transfers from other National Government entities		
Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,786,405	9,754,290
Operational Grant	500,000	2,000,000
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	5,286,405	11,754,289
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	5,286,405	11,754,289

(6a) Transfers from other Government entities –Helb Scholarship and Capitation

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for TVET-Helb Scholarship	4,786,405	-	-	4,786,405	9,754,290
Ministry of Education-Operational Grant	500,000	-	-	500,000	2,000,000
Total	5,286,405	-	-	5,286,405	11,754,290

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7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	35,987,381	7,590,550
Activity Fees	4,368,050	2,698,000
Industrial Attachment Fees	-	-
Examination Fees	554,650	3,590,000
Library Fees	-	-
Facilities And Materials	-	250,000
Registration Fees	444,077	45,000
Caution Fees	-	40,298
Electricity, Water and Conservancy	3,558,460	-
Local Travelling	3,790,263	-
Personnel Emoluments	9,474,500	-
Repairs and Maintenance	3,610,400	-
Student ID Fees	298,500	-
Student Union	92,500	-
		-
Total Revenue from Rendering of Services	62,178,781	14,213,848

8. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of Facilities and Equipment	48,100	31,000
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Total	48,100	31,000

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	6,460,561	-
Industrial attachment costs	-	-
Electricity	50,000	-
Water	22,500	12,095
Security		60,000
Professional and consultancy services	12,000	-
Subscriptions	212,246	1,176,608

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Advertising	139,300	50,000
Examination fees	2,597,400	3,678,570
Audit fees	-	30,000
Catering, conferences, and delegations	-	649,000
Travelling and accommodation	5,045,031	4,500
Fuel and oil	-	225,950
Insurance	-	22,250
Legal expenses	-	0.00
Licenses and permits	-	36,100
Postage	-	9,825
Printing and stationery	1,147,033	680,150
Hire charges	50,000	80,500
Rent expenses	-	-
Skills development levies	-	-
Telephone expenses	62,500	131,246
Internet expenses	-	15,398
Training expenses	35,596	56,048
Bank Charges	6,813	-
Others(Kitchen Utilities)	24,000	8,580
Total good and services	15,864,980	6,926,820

10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	3,800,144	2,882,329
Employee related costs - contributions to pensions and medical aids	261,924	-
Travel, motor car, accommodation, subsistence and other allowances	-	4,308,846
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	11,500
Employee Costs	4,062,068	7,202,675

11. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	45,000	113,000
Directors Emoluments	-	88,000
Other Allowances	578,600	581,900
Other Board/Council Expenses	-	-

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Total	623,600	782,900
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12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	2,641,935	3,036,062
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,641,935	3,036,062

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	892,000	64,790
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	892,000	64,790

14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	8,208,551	10,035,225
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	8,208,551	10,035,225

14 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
National Bank of Kenya	7700197512	8,208,551	10,035,225
Equity Bank, etc.		-	-
Sub- Total		8,208,551	10,035,225
b) On - Call Deposits			

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Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		8,208,551	10,035,225

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	54,563,099	8,521,332
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	54,563,099	8,521,332

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	4,069,474	48%
Between 1- 2 years	54,563,099	100%	4,451,858	52%

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Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	54,563,099	100%	8,521,332	100%

16. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	864,576	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	864,576	-

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	-	-
Additional Inventory in the year	8,472,170	-
Inventory expensed in the year	(7,607,594)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	864,576	-

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17. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Other Assets (Library Books)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		0.025	0.125	0.333	0.2	0.250	-	
At 1 July 2023	468,000,000	39,926,890	1,050,431	231,605	8,403,905	386,530	-	517,999,361
Additions	-	1,000,000	251,000	-	-	75,000	-	1,326,000
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
At 30th June 2024	468,000,000	40,926,890	1,301,431	231,605	8,403,905	461,530	-	519,325,361
Prior Year Adjustment		1,494,730	2,334,476	417,095	5,985,507	527,073		10,758,881
Additions	-	545,000	-	-	-	-	1,301,250	1,846,250
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
At 30th June 2025	468,000,000	42,966,620	3,635,907	648,700	14,389,412	988,603	1,301,250	531,930,492
Depreciation And Impairment								
At 1 Jun 2023	-	814,834	156,960	114,074	1,255,755	-	-	2,341,623
Depreciation	-	1,023,172	162,679	77,124	1,680,781	92,306		3,036,063
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2024	-	1,838,006	319,639	191,198	2,936,536	92,306	-	5,377,686

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Prior Year Adjustment	-	679,896	2,177,516	303,021	4,729,752	527,073	-	8,417,258
Depreciation		1,011,218	142,344	51,442	1,344,625	92,306	-	2,641,935
Disposals	-	-	-	-	-		-	-
Impairment	-	-	-	-	-		-	-
Transfer/Adjustment	-	-	-	-	-		-	-
At 30th Jun 2025	-	3,529,120	2,639,499	545,661	9,010,913	711,685	-	16,436,878
Net Book Values							-	-
At 30th Jun 2024	468,000,000	39,903,718	1,138,752	154,481	6,723,124	369,224	-	516,289,298
At 30th Jun 2025	468,000,000	39,437,500	996,408	103,039	5,378,499	276,918	1,301,250	515,493,614

The work in progress amount of Khs.1,301,250 relates to construction of two class rooms which were incomplete as at 30 June 2025

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued during the financial year and the amounts adopted relates to cost less accumulated surplus.

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:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	468,000,000	-	468,000,000
Buildings	42,966,620	3,529,120	39,437,500
Furniture and Fittings	3,635,907	2,639,499	996,408
Computers	648,700	545,661	103,039
Plant And Machinery	14,389,412	9,010,913	5,378,499
Other Assets (Library Books)	988,603	711,685	276,918
Total	530,629,242	16,436,878	514,192,364

18. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	1,100,000	-
Additions	-	1,100,000
At end of the year	1,100,000	-
Additions—internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	366,300	-
At end of the year	366,300	-
Impairment loss	-	-
At end of the year	366,300	-
NBV	733,700	1,100,000

19. Trade and Other Payables

Description	2024-2025		2023-2024	
	KSh		KSh	
Trade payables	2,859,450		400,000	
Fees paid in advance	1,923,668		3,474,136	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	4,783,118		3,874,136	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	4,371,951	91%	824,834	21%
1-2 years	411,167	9%	3,049,302	79%
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	4,783,118	100%	3,874,136	100%

20. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	KSh		KSh	
Consumer deposits	-		-	
Caution money	-		420,000	
Other refundable deposits	-		-	
Total Deposits	-		420,000	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	420,000	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	420,000	100%

21. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	43,428,703	7,985,891
Adjusted for:		
Depreciation	2,641,935	3,036,063
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase in Inventory	-	-
Increase in Receivables	(47,841,294)	(4,247,936)
Increase in Deferred Income	-	-
Increase in Payables	908,982	3,874,136
Increase in Payments received in advance	(420,000)	373,800
Net Cash Flow from Operating Activities	(1,281,674)	11,021,953

22. 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 company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

The 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

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with banks, as well as trade and other receivables and available-for-sale financial investments.

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 directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	8,521,332	8,521,332	-	-
Receivables from non-exchange transactions				-
Bank balances	10,035,225	10,035,225	-	-
Total	18,556,557	18,556,557	-	-
At 30 June 2025				
Receivables from exchange transactions	54,563,099	-	54,563,099	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	8,208,551	8,208,551	-	-
Total	62,771,650	8,208,551	54,563,099	-

Financial risk management (continued)

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

The college has significant concentration of credit risk on amounts due from student fees amount of Kshs.54,563,099

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

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(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	4,294,136	4,294,136
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	4,294,136	4,294,136
At 30 June 2025				
Trade Payables	-	-	4,783,118	4,783,118
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	4,783,118	4,783,118

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The College is not exposed to transactional currency exposures, as all its receipts, disbursements, and financial assets and liabilities are denominated in Kenya Shillings. The Fund does not undertake purchases or contracts in foreign currencies and therefore does not hold any foreign currency-denominated monetary assets or liabilities at the end of the reporting period. Accordingly:

- There are no foreign currency balances to disclose in the financial statements, and
- A foreign currency sensitivity analysis has not been presented, since a change in foreign exchange rates would have no impact on the Fund's financial performance or equity.

b) Interest rate risk

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

Management of interest rate risk

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

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

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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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs.0 (2024: Kshs.0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs.0(2025 – Kshs.0)

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	50,201,047	6,772,344
Capital Reserve	524,879,375	524,879,375
Total Funds	575,080,422	531,651,719
Total Borrowings	-	-
Less: Cash and Bank Balances	8,208,551	10,035,225
Net Debt/(Excess Cash and Cash Equivalents)	8,208,551	10,035,225
Gearing	1.4%	1.9%

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23. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties	-	-
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Total	-	-
B) Purchases from related parties	-	-
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	5,286,405	11,754,289
Grants from County Government	-	-
Donations in Kind	-	-
Total	5,286,405	11,754,289
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	-	-

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Payments for Goods and Services	-	-
Total		
d) Key Management Compensation		
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

24. Segment Information

Lodwar Technical and Vocational College operates within the same geographical location and is not segmented.

25. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets	-	
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Total	-	-

Contingent Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against (the college)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Total	-	-

26. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

27. Events After the Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Lack of ownership document and valuation of land	Ownership and valuation report to confirm the acreage ownership and value of the land were not provided for audit	The board is committed to obtain a valuer to make valuation of PPE as soon as possible	<i>Not Resolved</i>	07/04/2026
2. Unsupported travel and other allowances	The propriety and completeness of the expenditure amounting to Kshs 4,308,846 on travel and other allowances could not be confirmed	The management is in the process of implementing the standing imprest and temporary imprest requirements	<i>Not Resolved</i>	30/06/2026
3. Variances between financial statement amounts and amounts in supporting schedules	The college erroneously reported the actual amount of Ksh. 14,213,848 on rendering of service instead of 25,710,159 computed as a product of	This was corrected in financial statements as the expected revenue has been recorded in the financial statements	<i>Resolved</i>	

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	annual fees payable			
4. Budgetary control and performance	Final receipts budget 17,296,000 vs actual 25,999,138(over-realization of 8,703,138 or 50%) of the budgeted expenditure similarly the college incurred expenditure of 19,339,247 vs actual 25,999,138 (over-expenditure of 6,659,891 or 26%)	Underutilisation of the budget was occasioned by partial transfers of capitation from the Ministry and Students delaying to make fee payments	<i>Not Resolved</i>	30/06/2026
5.Appointment of the Board	Gazette notice on the appointments was not presented for Audit	The appointment is based on TVETA act of 2013 that elaborate the appointment of TTI and TVC,s	<i>Resolved</i>	
6.Performance of the board	Contrary to page 1.9 of Mongozo-the code of Governance for state corporations, there was no Board charter in place and no evidence that the board members performance was evaluated during the year under review	The BOG the had committed to draft the charter and put in place	<i>Not Resolved</i>	04/12//2025
7. Failure to Establish internal Audit unit and Audit committee	The college had not established an audit committee of the Board	The BoG has committed to draft a policy to guide on their sittings	<i>Not Resolved</i>	04/12/2025

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	and internal audit function			
8. Lack of risk management policy and disaster recovery plan	Review of internal control of the entity revealed that the college does not have a risk management policy	The BoG has committed to draft a policy on risk management policy and disaster recovery plan	<i>Not Resolved</i>	04/12/2025

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

.....


Name
Accounting Officer
(Enter title of Head of entity)
Date



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Appendix II: Projects Implemented by

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	None					
2	None					

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **State Department for TVET**

Name of beneficiary entity: **Lodwar Technical and Vocational College.**

Confirmation of amounts received by Lodwar Technical & Vocational Training College as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT24194DYQQH	12/7/2024	500,000	-	500,000	Partially disbursed
FT24264KK6J3	20/09/2024	2,029,108	-	2,029,108	Partially disbursed
FT242649630D	20/09/2024	524,074	-	524,074	Partially disbursed
FT2426420CSS	20/09/2024	147,816	-	147,816	Partially disbursed
FT24264CQ87K	20/09/2024	844,600	-	844,600	Partially disbursed
FT24267DH5P	23/09/2024	1,135,494	-	1,135,494	Partially disbursed
FT24268SCCY2	24/09/2024	40,313	-	40,313	Partially disbursed
FT2430581M8Y	31/10/2024	65,000	-	65,000	Partially disbursed
Total		5,286,405		5,286,405	

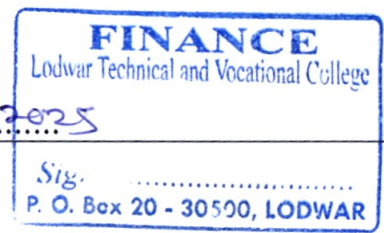
I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department – Lodwar TVC:

Name JACKSON KORODI Sign [Signature] Date 25/11/2025





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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
	None								

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
	None					