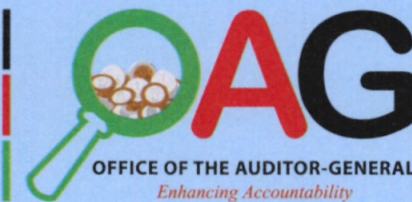


REPUBLIC OF KENYA



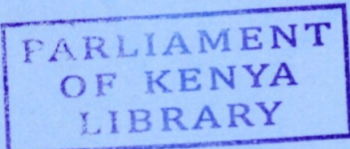
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT




OF

THE AUDITOR-GENERAL

ON

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. OWEN BAYA, MP	
PREPARED BY: CHRISTINE NDIRITU	



NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE

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)

1. Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key College Information and Management.....	iii
3.	The Council/Board of Governors.....	x
4.	Key Management Team	xii
5.	Chairman’s Statement	xii
6.	Report of the Chief/Senior Principal	xiv
7.	Statement of Performance against Predetermined Objectives	xvi
8.	Corporate Governance Statement.....	xvii
9.	Management Discussion and Analysis	xix
10.	Environmental And Sustainability Reporting Statement.....	xxi
11.	Report of the Council/Board of Governors	1
12.	Statement of Board of Governors/ Council’s Responsibilities.....	xxvi
13.	Report of the Auditor General.....	xxviii
14.	Statement of Financial Performance For The Year Ended 30 June 2025	1
15.	Statement of Financial Position As At 30th June 2025	3
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2025.....	5
17.	Statement of Cash Flows For The Year Ended 30 June 2025.....	7
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025	8
19.	Notes to the Financial Statements.....	11
20.	Appendices.....	60

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
CSR	Corporate Social Responsibility
NCIC	National Cohesion & Integration Commission
CBO	Community- Based Organizations
NITA	National Industrial Training Authority
TVETA	Technical and Vocational Education and Training Authority

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the college's financial resources.

Comparative Year- Means the prior period.

2. Key College Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act, 2013 Section 20(1) on 27 July, 2022. The college is domiciled in Kenya and is planning to open Town campus at Ololulung'a town. The institute is under the Ministry of Education. During establishment, Nairobi Technical Training Institute was given mandate by GOK to manage construction of the College and later mentored the college till the Board of Governors were appointed.

Narok South TVC sits on a 2.19 hectares (5.41 acres) parcel of land which is located near Olshapani Shopping Center, along Ololulunga – Olmekenyu road, Olshapani Sub- location, Oldonyo Ngiro Location, Ololung'a Division, Narok South Sub-county in Narok County.

The College is Center of excellence in Agricultural Engineering, Value Addition in Agriculture, Welding-Fabrication and Information Technology Communication (ICT). The College is currently awaiting to be fully equipped with state- of-the-art Equipment to be sourced by the Government of the Republic of Kenya (GOK).

(b) Principal Activities

Manage and control institution's resources, supervision of training activities and programmes at the institution as well as serve as the secretary of the board. Training competent human resource for Social Economic Development in Business, Science, Technology, Engineering and Mathematics.

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Deputy Principal;
- Ag. Registrar
- Ag. Dean of Students

(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:

SN	Designation	Name
1.	Principal	-Simion Cheplogoi
2.	Deputy principal Finance	-Jonah Kipkorir Koech
3	Deputy principal Academics	-
4	Registrar (s)	Caroline Cherono
5	Dean of students	Simon Saruni
6	Head of Finance	-
		-

Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Board of Governors

The functions of the Board of Governors shall include:

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;

KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

- (h)** Mobilizing resources for the institutions;
- (i)** Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j)** Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k)** Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l)** Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m)** Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n)** Making regulations governing organization, conduct and discipline of the staff and students;
- (o)** Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (p)** Providing for the welfare of the students and staff of the institutions;
- (q)** Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r)** Discharging all other functions conferred upon it by this Act or any other written law.

KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)

Committees of the Board of Governors

1. Finance, Governance and Development

Committee Activities

The Committee shall exercise all the powers of Board of Governors (BoG) in financial matters except in relation to the items which are reserved to BoG in these Standing Orders, on which the Committee shall advise BoG.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the College on behalf of BoG. In addition to advising BoG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the College's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the College.
- d) To receive reports of the extent and condition of the College estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for College services and facilities.
- g) To supervise the financial administration of the College and make recommendations to BoG where appropriate.
- h) To supervise the arrangements for safeguarding the College's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the College's intellectual property.
- l) To make recommendations to BoG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- n) Advise the Board of Governors on the academic aspects of Narok South TVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and Narok South TVC's Vision and Goals.
- o) Oversee the regular program of internal unit, course and school reviews within Narok South TVC.
- p) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- q) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- r) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- s) Consider and recommend on any matter referred to the it by the Board of Governors.

2. Education, Training and Research

Committee Activities

- a) Provide academic leadership to Narok South TVC, through promotion of excellence in teaching and learning, and ensuring that Narok South TVC embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Narok South TVC.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within Narok South TVC.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Narok South TVC.
- e) Monitor and regularly report on compliance with academic policy within Narok South TVC.
- f) Oversee the quality assurance of the academic activities of Narok South TVC, within the Narok South TVC Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Narok South TVC Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Narok South TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Narok South TVC's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to the it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
- n) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

3. Audit, Risk and Compliance

Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.

- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

4. Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that Narok South TVC's BoG is able to take strategic decisions relating to Narok South TVC's activities.
- (b) Provide leadership in communicating Narok South TVC's mission, values, plans and achievements effectively and consistently to BoG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of Narok South TVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Narok South TVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BoG on the implementation and achievement of the BoG's Strategic Framework;
- ii. Agrees Narok South TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

KEY COLLEGE INFORMATION AND MANAGEMENT (Continued)


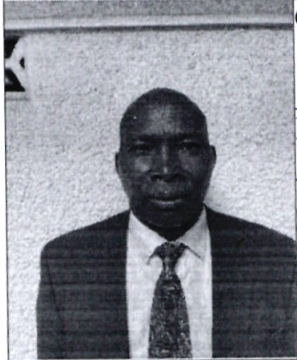


- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Narok South TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Narok South TVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BoG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Narok South TVC staff to deliver the highest standards of performance and customer service.

(a) Government Oversight Activities

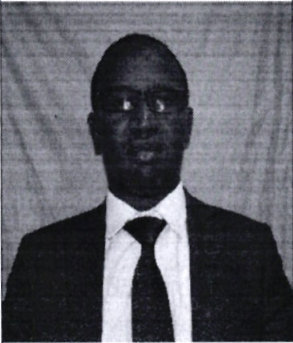
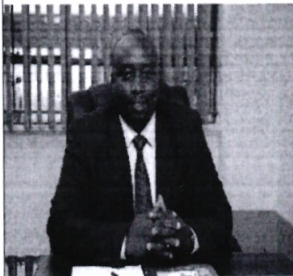
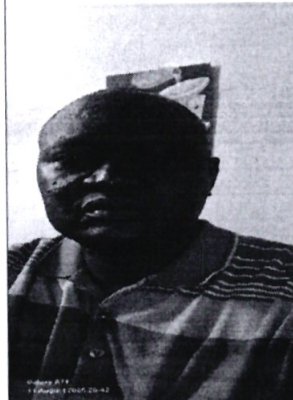

The Government of Kenya's Oversight role includes provision of grants for both capitation and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General.

<p>(a) Headquarters</p> <p>Near Oleshapani Shopping Center, along Ololulung'a – Olmekenyu Rd, Oleshapani Sub-location, Oldonyo Ngiro Location, Ololulung'a Division, Narok South Sub-county in Narok County</p>	<p>(b) Contacts</p> <p>P. O. Box 4-20503, Ololulung'a. Tel. 0740 311 457 / 0722 937192 Email: naroksouthtvc20@gmail.com Website:</p>
<p>(c) Narok South TVC Bankers</p> <p>KCB Bank Limited P.O BOX 1310-00100 Narok Branch, Narok.</p>	
<p>(d) Independent Auditors</p> <p>Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya</p>	<p>(e) Principal Legal Adviser</p> <p>The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya</p>





3. The Council/Board of Governors

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1.Judith Kirorei	Chairperson		Date of Birth	26/03/1967
			Qualification	H/Diploma in hotel management
			Experience	20 Yrs
2.Prof. James Simiren	Member		Date of Birth	20/12/1975
			Qualification	PHD, in parks, recreation & tourism management
			Experience	15 yrs.
			Committee Membership	Education, training & infrastructure
3.Michael Otieno	Member		Date of Birth	1/6/1965
			Qualification	MBA, Strategic management
			Experience	34 yrs.
			Committee Membership	1.Risk & audit 2.Education, training & infrastructure
4.Abigael Nasieku	Member		Date of Birth	2/4/1980
			Qualification	MBA, Business Administration
			Experience	20 yrs
			Committee Membership	1.Risk& Audit 2.Education, training & infrastructure

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

5. Justus Parsamai Lemein	Member		Date of Birth	8/8/1994
			Qualification	Msc, project management
			Experience	5 yrs
			Committee Membership	Finance & human resource – chairperson
6. Bernard Rono	Member		Date of Birth	1985
			Qualification	Msc, IT
			Experience	15yrs
			Committee Membership	Finance & Human resource
7. Christopher Kunder	Member		Date of Birth	20/9/1960
			Qualification	Msc, Agriculture
			Experience	39yrs
			Committee Membership	Risk & Audit
8. Simion Cheplogoi	Secretary		Date of Birth	1972
			Qualification	BED, Mechanical engineering, PGDE
			Experience	30 Yrs

4. Key Management Team

Manager	Title	Photograph	Qualification & Responsibility	
Simion Cheplogoi	Principal		Date of Birth	1972
			Qualification	BED Mechanical (Production option), Masters ongoing
			Experience	29 Years
Jonah Kipkorir Koech	Deputy Principal		Date of Birth	1978
			Qualification	BED, Technology Education
			Experience	20yrs
Caroline Cheronon	Ag. Registrar		Date of Birth	1984
			Qualification	BSc. Electrical
			Experience	4 Years
Simon Saruni	Ag. Dean of Students		Date of Birth	1984
			Qualification	MSc. Tourism
			Experience	2 Years

5. Chairperson's Statement

I am pleased to present the College's annual report and financial statement for the year ending 30th June 2025.

The College's Board of Governors take note with appreciation the continued support and advice of GoK and other stakeholders in the management of the College.

We appreciate and thank the Government for undertaking key policy reforms in the TVET sector, which are geared to addressing modern needs in skills training. It is also notable that GoK recently launched the New Funding Model for Universities and TVET, whose aim is to ensure sustainable growth in the sector; while addressing Kenya communities' diversity through the realization of the following key objectives in TVET: quality, access, equity and relevance. The BoG will continue to work with industry and other partners in setting up shared strategies that ensure that the skills offered at the College do meet the industry needs, offer solutions to community challenges and as well enable personal development of the graduates to be self-reliant and innovative in job creation.

The College finances and revenues are received through KCB Bank Ltd, College bank account in Narok Town. The Board was inaugurated on 16th May, 2025 and continues to oversee the management of the College.

The Board also looks forward to receive GoK- sourced center of excellence training equipment, whose supply/delivery promise will be in the course of this financial year 2025/2026; and this will address urgent training needs.

I wish to emphasize that the Board is grateful for the continued support from the GoK, through the Ministry of Education, State Department of TVET, in terms of operational grants, advice, training and posting of additional trainers. The Government has managed to do this in spite of the economic challenges.

Finally, on behalf of the Board, I thank the Government and all our stakeholders for their trust, support and continued partnership and cooperation we enjoyed during the Financial Year 2024/2025.



Judith Kirorei
CHAIRPERSON, BOARD OF GOVERNORS

6. Report of the Senior Principal

I. Introduction

This report presents an overview of the financial performance of Narok South Technical and Vocational College for the FY 2024/2025 ended 30th June 2025 in accordance with the Accrual Basis of Accounting method under the international Public Sector Accounting Standards (IPSAS). It highlights revenue streams, expenditure patterns, financial challenges, and recommended measures to strengthen the institution's financial position. The objective is to provide the Governing Board, management, and relevant stakeholders with an accurate picture of the college's financial position.

ii. Summary of Revenue Performance

Main Sources of Revenue

- Capitation from the Government (Trainee support grants)
- Tuition and other student fees
- Internally Generated Funds (IGF) – e.g., farm projects, workshops, short courses
- Donations and grants from partners
- Income from hire of facilities and other services

Performance Overview

- The college received recurrent grant disbursement only, though some delays were experienced during the period.
- The college is yet to receive capitation for the number of students enrolled.
- The enrolment of students was still low due to the many challenges experienced.
- Student fees collection was a challenge with most students relying on government sponsorship which in most cases had delays or failed to be disbursed completely.
- Short skill-based courses i.e. computer packages, driving were the potential short courses which the college started to boost income for the institution. However, enrolment was not attained thus far.
- Overall revenue increased by 51% compared to the previous period.

iii. Expenditure Performance

Major Categories of Expenditure

- Personnel emolument
- Maintenance of infrastructure
- Procurement of training materials, tools, ICT equipment, and consumables
- Utilities: electricity, water, internet
- Administrative and operational costs

Expenditure Efficiency

- Spending remained within approved budget ceilings.
- Priority was given to learning materials, workshops, and utilities.
- Several planned development projects were postponed due to budget constraints

iv. Financial Challenges Encountered

- Delayed disbursement of capitation, affecting cashflow and operations.

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

- High fee arrears from students.
- Increased cost of utilities and inflation affecting procurement budgets.
- No income generating activities streams compared to growing institutional needs.
- Need for modernized equipment and ICT labs requiring significant investment so as to boost student enrolment.

v. Strategies Undertaken to Improve Financial Performance

- Enhanced enforcement of student fee payments through reminders and clearance procedures.
- Introduction of more potential short courses and commercial services to boost overall college income.
- Strengthened financial controls and procurement efficiency.
- Engagement with development partners for equipment and facility support.
- Digitalization of financial processes for better accountability.

vi. Recommendations

- Strengthen income generating activities through short courses, consultancy, and commercializing college facilities.
- Enhance student fee collection through better communication, flexible payment plans, and follow-up.
- Advocate for timely disbursement of government capitation.
- Prioritize investment in ICT laboratories and workshops through grants and partnerships.
- Implement cost-saving measures, especially on utilities and consumables.
- Seek private sector partnerships to support training equipment and industrial attachments.

vii. Conclusion

The college remains financially stable despite several challenges related to fee arrears and delayed capitation. Continued strengthening of revenue mobilization, expenditure control, and partnership development will further enhance the financial sustainability of Narok South TVC. Management remains committed to transparency, prudent financial practices, and resource optimization to support quality training and institutional growth.

.....
SIMION CHEPLOGOI
PRINCIPAL/BOG SECRETARY



7. Statement of Performance against Predetermined Objectives

Narok South TVC has two (2) strategic issues and objectives within current Strategic Plan for the FY 2024-2025. These strategic pillars are as tabulated below:

Strategic issue 1: Curriculum implementation

Strategic issue 2: Machines, Equipment and ICT infrastructure

Narok South TVC develops its annual work plans based on the above two pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Strategic issue 1 Curriculum implementation and Student Enrollment	To provide quality and relevant technical training. To increase student enrollment through mounting of relevant courses to meet dynamic industry demands	• Enrolment of students	<ul style="list-style-type: none"> • Putting in place quality assurance mechanisms. • Increased marketing of college courses 	Enrolled 100 students within the FY 2024/2025
Strategic issue 2 Machines, Equipment and ICT infrastructure	To acquire, install and maintain ICT infrastructure	Installation of ICT equipment at the institution	<ul style="list-style-type: none"> • Acquisition, installation and maintenance of machines and equipment 	Not yet achieved. Still waiting on the government to bring agricultural equipment after the college was assessed by the officials from the ministry

- **Corporate Governance Statement**

1) Corporate Governance Statement

- i. Good corporate governance is the key to integrity and corporations and central to the College stability
- ii. Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- iii. The BoG follows principles of transparency and accountability in its stewarding college affairs'
- iv. The role of the BoG is to ensure conformity by focusing and providing the college strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- v. Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- vi. Below are key features of the existing governance practices within the college which are revised and improved from time to time.

2) The College Board of Governors (BoG)

The BoG constitutes of chairman BoG and eight members appointed in accordance to the TVET Act 2013 and formally meets at least four times a year (every quarter) or more when need arises.

- a) BoG is responsible for setting the direction of the College through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- b) The BoG is actively involved and bring strong independent judgement on its deliberations and discussions
- c) The BoG members have diverse skill set, wide range of knowledge and experience of the college in objectives and decision making.
- d) The BoG meets regularly and retains full and effective control over the College in all strategic financial operation and compliance areas

3) Related Party Disclosure

Related parties for the purposes of this report include:

- a. The Government of Republic of Kenya
- b. The Board of Governors
- c. The Management

9. Management Discussion and Analysis

SECTION A: Operational and Financial Performance

This report presents detailed operational and financial performance for Narok South TVC during the 2024-2025 reporting period. It outlines enrolment trends, academic achievements, resource utilization, revenue performance, expenditures, and financial sustainability indicators.

Operational Performance

a) Enrolment and Retention

There were thirty- nine (39) students enrolled during the period. This was supported by marketing which was carried out in the local churches and markets at Narok South Constituency.

b) Academic Program Delivery

- i. 92% of all scheduled sessions delivered
- ii. All trainees were transitioned to cycle 3 modular curricula which is flexible and more of learner-centred.
- iii. Three students sat for TVET CDACC assessment in July 2025 with 100% pass rate.

c) Quality Assurance and Compliance

CBET delivery verification was done by officers from State Department. The rating was 85% compliance score on curriculum delivery and assessment protocols.

Human Resource Performance

Eight new trainers for various departments were deployed increasing trainers to a total of fifteen under Public Service Commission. There were three Board of Management trainers in different departments. Support staff are five (5)

Financial Performance

a) Revenue Performance

Total revenue collected in the year ended 2025 was Ksh. 4,564,259.35 which was an improvement compared to previous period.

b) Accounts Receivable

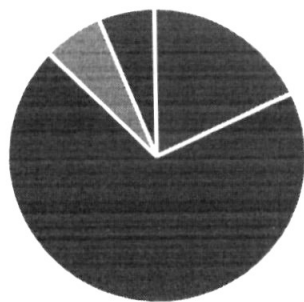
Outstanding fee arrears during the reporting period was Ksh. 1,431, 248. Collection of fee was a challenge since most students relied on scholarship from the government which at most times delayed and in worse cases never came.

c) Expenditure Summary

Total Expenditure was Ksh. 4,073,592

Item	Category	Amount	% of Total
1	Personnel Emolument	737,602	18%
2	Use of goods and services	2,826,535	69.4%
3	Board expenses	265,000	6.5%
4	Repairs and maintenance	250,600	6.1%
5	Less bank charges	6145	

Expenditures



■ Personnel emolument ■ Use of goods ■ Board expenses ■ Repairs ■ Others

Budget absorption rate: 99.6%

SECTION B: Compliance with Statutory Requirements

Narok South Technical and Vocational College complies to deduction and remittance of statutory deductions such SHIF, NSSF.

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Narok South Technical and Vocational College is planning/implementing

- Due to lack of funding, Narok South TVC has not initiated any development project.

SECTION D: Financial and Management Risks

Major risks facing the College are as follows;

- Inadequate funding by the Ministry of Education- on capitation/operation and development grants;
- Delay in supply of training equipment and furniture by GoK;
- Untimely marketing due to late funding;
- Due to limited capacity, it is not possible to increase the number of students as expected;
- Lack of modern ICT infrastructure
- Decline in enrollment due to perceived institutional weaknesses.
- Low retention rates or high dropout rates affecting academic performance and revenue.

The socio-economic effects associated with drought;

- Delay in granting licence of courses by the regulator (TVETA);
- Delay in connection of adequate power;

Due to the above factors the institution is facing challenges in meeting its full operations obligations.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

- There are material arrears in statutory/ financial obligations of Ksh. 76,009

10. Environmental and Sustainability Reporting Statement

The Narok South TVC, being a young institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions such as Ministry of Interior, County Government of Narok, NCIC and CBOs, which do not require financial commitment.

Sustainability strategy and profile

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College.

Environmental performance

- d. Greening TVET
 - ✓ greening the institution
 - ✓ greening the curriculum
 - ✓ greening research
 - ✓ greening the culture
 - ✓ greening the community
- e. Solid Waste management
 - ✓ disposal of wastes
 - ✓ policies on re-cycling
- f. Emission control
 - ✓ control on gases emitted to the environment
- g. Adoption of environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the college.

Employee welfare

The below policies are in draft forms waiting for Board approval: -

- ✓ Scheme of service for BoG Staff;
- ✓ Career progression guidelines for BoG Staff;
- ✓ Motivation Policy for both Staff and Students;
- ✓ Income Generating Activities Policy;
- ✓ ICT policy;
- ✓ Gender Mainstreaming and Youth Empowerment Policy;
- ✓ Disability Mainstreaming Policy;
- ✓ Policy Against Gender-Based Violence;
- ✓ Human Resource Policy Manuals

**Market
place practices-**

A) Responsible Competitive Practice

- i) Anti -corruption
 - a. Student fees: The college charges the student's fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh. 67,189 for continuing students and Kshs. 35,000 per term under the new modular curriculum
 - b. No-Cash payment policy – all payments received through college bank account
 - c. The admission process is transparent.

- ii) Political involvement
 - a. The college liaises with the area leadership for development of the college infrastructure.

- iii) Fair competition
 - a. The college acquires curriculum and syllabus from Kenya Institute of Curriculum Development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure uniformity of courses offered at Narok South TVC is similar to those offered in other public institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade C- (minus) for Diploma/Level 6 Certificate students, D+ for Craft Certificate/Level 5 students and KCSE D- (minus) for Artisan Certificate/Level 4 courses. This allows the college to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.

- iv) **Respect for competitors**
 - a. **Mutual beneficial relationships:** - The college undertakes benchmarking with other institutions so as to offer quality training to trainees and to assist one another to better improve service delivery.
 - b. The College plans to have students placed by Kenya Universities and Colleges Central Placement Service (KUCCPS) and the ensures compliance with KUCCPS policy on transfers, (that when student seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding).

(B) Responsible Marketing and Advertisement

Efforts to maintain ethical marketing practices

- a. The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process;
- c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the college;
- d. The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake;

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

- e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

(C) Product Stewardship

Efforts to safeguard consumer rights and interests

- a. The college is in the process of developing complaints handling procedures;
- b. There is proactive disclosure of information by ensuring that information is given through the colleges website, brochures, print and electronic advertisement;
- c. Requests by customers for information on admission and courses is done through e-mail, telephone call and letters. The college has ensured accessible and an active e-mail address naroksouthtvc20@gmail.com and the telephone line 0740 311457.

(D) Community Engagements-

The College has continuously engaged the community in matters of corporate social responsibility (CSR). The college has been donating tree seedlings to the community through the office of local chief.

11. Report of the Board of Governors

The Board submits their report of financial statements for the year ended 30 June, 2025, which show the state of the College's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of Narok South Technical and Vocational College for the year ended 30 June, 2025 are set out on page 1 to page 61

BOARD OF GOVERNORS

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

Auditors

The Auditor General is responsible for the statutory audit of **Narok South Technical and Vocational College** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act for the year ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board



.....
Simion Cheplogoi
Secretary of the Board

Date: 2/12/2025.....

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, 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 Narok South Technical and Vocational College, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 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 college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

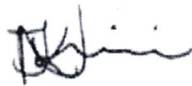
The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent

judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the college's financial statements give a true and fair view of the state of College transactions during the financial year ended June 30, 2025, and of the college financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

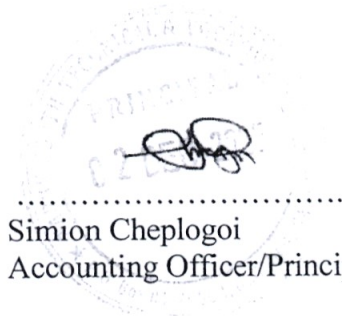
Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The College's financial statements were approved by the Board on2/12/2025..... and signed on its behalf by:



.....
Judith Kirorei
Chairperson of the Board



.....
Simion Cheplogoi
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NAROK SOUTH 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 Narok South Technical and Vocational College set out on pages 1 to 63, 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 the 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Narok South 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

1. Unsupported Property, Plant and Equipment

The statement of financial position reflects property plant and equipment balance of Kshs.54,486,526 as disclosed in Note 32 to the financial statement. Review of the College land ownership documents revealed that the College occupies a parcel of land whose title deed is registered in the name of the County Education Board. Although the Management provided a letter addressed to the Land Registrar, Narok County for the transfer of ownership of the land to the College, at the time of audit, no confirmation or response had been received from the Land Registrar.,

In the circumstances, the accuracy and completeness, existence and ownership of the property, plant and equipment balance of Kshs.54,486,526 could not be confirmed.

2. Undisclosed Inventory Balance

The statement of financial position reflects nil inventories balance implying that the College Management did not perform full stock count as at the end of the financial year under review. Review of inventory management records and bin cards as at the time of audit revealed that the College had stock of unknown value in its store at as 30 June, 2025.

In the circumstances, the accuracy and completeness and existence of nil inventories balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.9,318,900 and Kshs.4,564,259 respectively, resulting in an under-funding of Kshs.4,754,640 or 51% of the budget. Further, the College spent an amount of Kshs.4,056,441 against actual receipts amount of Kshs.4,564,259 resulting in an under-utilization of Kshs.507,818 or 11 % of the actual receipts.

The under-funding and the under-absorption affected the planned activities of the College and may have impacted negatively on service delivery to the public.

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 effect of the matters 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 Information

Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Vocational College's 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 conclusion 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 Prepare and Submit Quarterly Financial Reports

Review of the reports for the financial year 2024-2025 provided for audit review revealed that Management did not prepare and submit financial reports. This was contrary to Section 83 of the Public Finance Management Act, 2012 and The National Treasury Circular Ref: AG.4/16/3 Vol 4(6) dated 4 July, 2024 that provides that, quarterly financial reports are prepared in accordance with guidance issued by the Public Sector Accounting Standards Board (PSASB), quarterly financial reports are submitted to the line Cabinet Secretary, with a copy to The National Treasury, quarterly reports are submitted within fifteen (15) days after the end of a quarter and annual report and financial statements accurately reflect the information in the quarterly reports.

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

2. Lack of an Approved Salary Structure

The College does not have an approved salary structure by the Salaries and Remuneration Commission as required by law. Further, it was not clear how the salary and wages paid to the College employees were determined and the basis of promotion or demotion from one cadre to another.

In the circumstances, Management may not be in a position to identify whether the College is operating with the optimal number of staff to ensure effective service delivery to the public.

3. Officers Acting in Positions Beyond the Legal Limit

Review of the College payroll records revealed that two (2) have been in acting appointments for more than six (6) months contrary to Section of C14 (1) of the Public Service Commission Human Resource Policy, 2016. Further, no evidence was provided to confirm that the officers in acting appointment positions were presented and approved by the Board of Governance.

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

4. Lack of Training Needs assessment and Training Plan

Review of payment details revealed that there were expenses incurred towards training the employees of the College. However, the training projections and approved training plans for the year under review were not provided for audit review. Further, it was not possible to ascertain if the trainings were approved and budgeted for.

In addition, there was no evidence presented for audit to prove that all College employees were trained for at least five days during the fiscal year as required by the Public Service Human Resource manual.

In the circumstances, failure to prepare and implement an approved annual training plan may result in uncoordinated and non-strategic staff development, ineffective use of public resources, and expenditure on trainings that are not aligned to the College's objectives or budget.

5. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 36 to the financial statements reflects trade and other payables balance of Kshs.459,840. Review of the financial statements and supporting schedules revealed that the College had long outstanding trade and other payables balance of Kshs.391,950 which had remained unpaid for more than one year. In addition, there was no approved plan in place for the settlement or write-off of the long-outstanding items. This was contrary to Regulation 41(2)(a) of the Public Finance Management (National Government) Regulations, 2015 which provide debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

In the circumstances, 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on 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. Lack of Fraud Management Policy and Risk Management Strategies

The College does not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, the Management did not have a Risk Management Policy or strategy in place and therefore, had no

approved processes and guidelines on how to mitigate operational, legal and financial risks contrary to Regulation 155 of the Public Finance Management (National Government) Regulations, 2015.

Further, the College lacks disaster recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. In addition, the Management did not perform formal risk assessments during the financial year audited.

In the circumstances, the College is at increased risk of fraud, misuse of resources, and unidentified operational, legal, and financial risks which may result in weak governance and ineffective decision-making.

2. Lack of Internal Audit Function and an Audit Committee

Review of records and processes revealed that the institute did not have audit committees or internal audit functions. This was contrary to Section 73 (1) (a) (5) of the Public Finance Management Act, 2012 provides that a National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board; and also establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, absence of an Internal audit function and an audit committee weaken the College's governance and internal control environment, increasing the risk of undetected fraud, errors and inefficiencies, thereby affecting service delivery and College's performance.

3. Lack of Approved Information and Communication Technology Security Policy

Review of the College's information technology systems revealed the College did not have an approved IT Policy for governance and management of its Information and Communication Technology (ICT) resources. Further, there is no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the College realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the institute and safeguarding the College ICT assets.

In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability. In the circumstances, existence of effective ICT controls could not be confirmed.

Further, the risk assessment and internal audit reports for the year under review were not provided as well as the minutes of audit committee indicating that the internal audit function was supervised.

In the circumstances, Management has not put in place proper system to monitor the College governance process, accountability process and control environment and to offer objective advice on issues concerning risk, control, regulatory requirements and governance.

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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 to a going concern, disclosing, as applicable, matters related to a 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

09 December, 2025

NAROK SOUTH 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
		KSh	KSh
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,499,137.50	2,000,000
Grants from donors and development partners	7		
Transfers from other levels of government	8	1,433,531.85	
Public contributions and donations	9		
Total Revenue from Non-exchange transactions			
Total Revenue from Non-Exchange transactions		3,932,669.35	2,000,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	475,590	150,000
Sale of goods	11		
Rental revenue from facilities and equipment	12	156,000	
Finance income	13		
Miscellaneous income	14		
Revenue from Exchange transactions		631,590	
Total Revenue from Exchange transactions		4,564,259.35	2,150,000
Expenses			
Use of goods and services	15	2,826,535	1,439,167
Employee costs	16	737,602	348,350
Board /Council Expenses	17	265,000	140,000
Depreciation and amortization expense	18	1,235,804	1,189,475
Repairs and maintenance	19	250,600	54,730
Contracted services	20		
Grants and subsidies	21		
Finance costs	22	6,145	4,018
Total Expenses		5,321,686	3,175,740
Other Gains/(Losses)			

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Gain on sale of assets	23		
Gain/ Loss on fair value of investments	24		
Impairment loss	25		
Total Other Gains/(Losses)			0
Net surplus/(deficit) for the year		-757,426.65	-1,025,740

(The notes set out on pages 1 to 46 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 10 were signed by:

 Chairman of Board Date: 2/12/2025	 Principal Date: 2/12/2025	 Finance Officer ICPAK No: 13712 Date: 2/12/2025
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NAROK SOUTH TECHNICAL & 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	26	495,297.60	25,257
Current portion of receivables from exchange transactions	27(a)	1,431,248	145,500
Receivables from non-exchange transactions	28		
Inventories	29		
Investments in financial assets	30		
Prepayments	31		
Suspense			
Total Current Assets		1,926,545.6	170,757
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	32	54,486,526	54,849,829
Intangible assets	33		
Investment property	34		
Biological Assets	35		
Total Non-Current Assets			
Total Assets (A)		56,413,071.6	55,020,586
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	459,840	391,950
Refundable deposits from customers	37		
Current provisions	38		
Finance lease obligation	39		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance	42		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Current portion of borrowings	43		
Social Benefits	46		
Suspense			108,861
Total Current Liabilities		459,840	500,811
Non-Current Liabilities			
Finance lease obligation	39		
Deferred income	40		
Non-Current Employee Benefit Obligation	41		
Non- Current Borrowings	43		
Non-Current Provisions	44		
Service Concession Liability	45		
Social benefits	46		
Total non- current liabilities		-	-
Total Liabilities (B)		459,840	500,811
Net Assets (A-B)		55,953,231.6	54,519,775
Represented By:			
Revaluation Reserves			
Accumulated Surplus		(4,998,732.65)	(4,241,306)
Capital Fund		58,761,081	58,761,081
Net Assets		53,762,348.35	54,519,775

The Financial Statements set out on pages 1 to 10 were signed by:



Chairperson of Council/Board

Date 2/12/25




Principal
 Date 2/12/25



Finance Officer

ICPAK No
 Date 2/12/25

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluati on reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2024 (previous year)		-3,215,566	58,761,081	55,545,515
Revaluation gain				
Surplus/(defi cit) for the year		(1,025,740)		(1,025,740)
Capital grants received during the year				
Transfer of depreciation/ amortisation from capital fund to Retained earnings				
At June 30, 2025		-4,241,306	58,761,081	54,519,775
At July 1, 2025 (current year)		-4,241,306	58,761,081	54,519,775
Revaluation gain				
Surplus/(defi cit) for the year		-757,426.65		-757,426.65
Capital grants received during the year				
Transfer of depreciation/ amortisation from capital fund to				

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Revaluati on reserve	Accumulated Fund	Capital Grants/Fund	Total
Retained earnings				
At June 30, 2025		-4,998,732.65	58,761,081	53,762,348.35

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description	No.	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		2,499,137.5	2,000,000
Grants from donors and development partners			
Transfers from other levels of government		1,433,531.85	
Public contributions and donations			
Rendering of services- fees from students		475,590	4,500
Sale of goods			
Rental revenue from facilities and equipment		156,000	
Finance income			
Miscellaneous income			
Total Receipts		4,564,259.35	2,004,500
Payments			
Use of goods and services		1,888,735	1,439,167
Employee costs		737,602	348,350
Board /Council Expenses		265,000	140,000
Repairs and maintenance		250,600	54,730
Contracted services			
Grants and subsidies			
Total Payments		3,141,937	1,982,247
Net Cash Flows from operating activities	47	1,422,322.35	22,253
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-872,500	(68000)
Suspense			70,744
Proceeds from sale of property, plant and equipment		0	
Net cash flows used in investing activities		--872,500	2,744
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		470,040.60	24,997
Cash and Cash equivalents at 1 JULY	26	25,257	260
Cash and Cash equivalents at 30 JUNE	26	495,297.60	25,257

NAROK SOUTH TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	2,000,000		2,000,000	2,499,137.5	499,137.50	125%
Grants from donors and development partners						
Transfers from other levels of government				1,433,531.85	=0	100%
Public contributions and donations						
Rendering of services- fees from students	6,718,900		6,718,900	475,590	6,242,950	-93%
Sale of goods						
Rental revenue from facilities and equipment	600,000		600,000	156,000	444,000	-74%
Finance income						
Miscellaneous Income						
Total Income	9,318,900	-	9,318,900	4,564,259.35	4,754,640.65	51%
Expenses						
Use of goods and services	4,344,100	-	4,344,100	2,826,535	1,582,865	35%
Employee costs	1,287,900	-	1,287,900	737,602	550,298	43%

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Board /Council Expenses	600,000	-	600,000	265,000	335,000	56%
Repairs and maintenance	1,825,700	-	1,825,700	250,600	1,575,100	-86%
Contracted services						
Grants and subsidies						
Finance Costs (Bank Charges)				-6,145	-6145	
Total Expenditure	8,057,700		8,057,700	4,073,592	4,001,258.15	50%
Surplus For the Period	1,261,200		1,261,200	507,817.50		
Capital Expenditure						

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

(Budget notes)

1. From money of service rendering we got deficit since students' enrolment is still a challenge
2. Expenses incurred changed due to change in rendering fee hence affecting the original budget
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis.

19. Notes to the Financial Statements

1. General Information

Narok South Technical and Vocational College is under the Ministry of Education, State Department for Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

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 where applicable. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24th July 2012, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

New standards were adopted in the year ended 30th June 2025 by Narok South TVC

ii. New and amended standards and interpretations in issue 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 a College. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Narok South TVC implemented revised standards</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><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 college 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.</p>
IPSAS 48: Transfer Expenses	<p><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.</p>
IPSAS 49: Retirement Benefit Plans	<p><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.</p>

iii. Early adoption of standards

The college did not early adopt any new or amended standards in FY ending June 2025

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. 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 college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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 college.

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 budget for FY 2024/2025 was prepared and approved by the Board of Governors. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget.

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 expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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 financial performance has been presented under page number 8 of these financial statements.

c) Taxes

Current income tax

The College is exempt from paying taxes as per First schedule section 13 of the Income Tax Act 270, 2021

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 one-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit (college to amend appropriately).* 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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The depreciation on Property, Plant and Equipment has been provided at the following rates:

Asset	Rate
Land	0.00%
Buildings	2.00%
Plant, Machinery and Equipment	10.00%
Motor Vehicles	25.00%
Computers	30.00%
Furniture	10.00%
Intangible Assets	10.00%

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. 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 College 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 College 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 College. 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) Research and development costs

The College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the College 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.

i) 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. Narok South TVC 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 college and a financial liability or equity instrument of another college. At initial recognition, the college 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 college 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 college'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 a college 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 college 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 college 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 college 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 college 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) are set out in *Note xx*.

Financial liabilities

Classification

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

j) 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*.

k) 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

Narok South TVC 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

Narok South TVC 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.

l) 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 college 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 college will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

Narok South TVC has not created or maintained reserves during the year under review.

n) Changes in accounting policies and estimates

The College does not recognize the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) 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 college pays fixed contributions into a separate college (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.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) 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.

r) Related parties

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

s) Service concession arrangements

The college 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.

t) 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.

u) Comparative figures

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

v) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

6. Transfers from other National Government entities

Description	2025 Kshs	2024 Kshs
Unconditional Grants		
Capitation Grants		
Operational Grant	2,499,137.50	1,500,000
Development grants		
Other Grants		
Total unconditional Grants	2,499,137.50	1,500,000
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	2,499,137.50	1,500,000

(a) Transfers from other Government entities (Categorized)

Name of the College 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 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	2,499,137.50	00	00	2,499,137.50	1,500,000
Ministry					
Total	2,499,137.50			2,499,137.50	1,500,000

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

7. Grants from Donors and Development Partners

Description	2025	2024
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants		
Total Grants from Development Partners		

(a) Reconciliations of grants from donors and development partners

Description	2025	2024
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Conditions Met - Transferred to Revenue		
Conditions Yet To Be Met - Remain Liabilities		

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2025	2024
	Kshs	Kshs
Transfer from NG-CDF	1,224,910	
Transfer from XX University		
Transfer from Helb	208,621.85	
Total Transfers	1,433,531.85	

9. Public Contributions and Donations

Description	2025	2024
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
Total Donations and Contributions		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

10. Rendering of Services

Description	2025 Kshs	2024 Kshs
Tuition Fees	475,590	150,000
Activity Fees		
Industrial Attachment Fees		
Examination Fees		
Library Fees		
Facilities And Materials		
Registration Fees		
Others		
Total Revenue from The Rendering of Services	475,590	150,000

11. Sale of Goods

Description	2025 Kshs	2024 Kshs
Sale of Books		
Sale of Publications		
Sale of Farm Produce		
Cafeteria sales		
Other sales		
Total Revenue from Sale of Goods		

12. Rental revenue from facilities and equipment

Description	2025 Kshs	2024 Kshs
Hire of Facilities and Equipment	156,000	
Contingent Rentals		
Operating Lease Revenue		
Total	156,000	

13. Finance Income

Description	2025 Kshs	2024 Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Others		
Total finance income	-	-

14. Miscellaneous Income

Description	2025 Kshs	2024 Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Reimbursements and refunds		
Graduation fees		
Bad debts recovered		
Income written back		
Others		
Total other income	-	-

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

15. Use of Goods and Services

Description	2024/2025	2023/2024
Teaching and learning materials		
Industrial attachment costs	432,000	451,600
Electricity		
Water	41,500	64,500
Security		
Professional and consultancy services		
Subscriptions	69,000	83,950
Advertising	370,740	144,290
Examination fees	18,000	
Audit fees		
Catering, conferences, and delegations		
Travelling and accommodation	221,180	61,000
Fuel and oil		
Equipment and Stores	874,300	85,400
Legal expenses		
Licenses and permits	10,000	
Postage		
Printing and stationery	70,900	50,216
Hire charges		
Accommodation expenses	190,000	
Skills development levies		
Telephone expenses	61,500	31,985
Training expenses	467,415	466,226
Other (<i>specify</i>)		
Total good and services	2,826,535	1,439,167

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

16. Employee Costs

Description	2024/2025 Kshs	2023/2024 Kshs
Salaries and wages	737,602	348,350
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Social contributions		
Employee Costs	737,602	348,350

17. Board/Council Expenses

Description	2024/2025 Kshs	2023/2024 Kshs
Chairman's Honoraria		
Directors Emoluments		
Other Allowances		
Other Board/Council Expenses	265,000	140,000
Total	265,000	140,000

18. Depreciation and Amortization expense

Description	2024/2025 Kshs	2023/2024 Kshs
Property, plant and equipment	1,235,804	1,189,475
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	1,235,804	1,189,475

19. Repairs and Maintenance

Description	2024/2025 Kshs	2023/2024 Kshs
Property		
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings	250,600	54,730
Computers and accessories		
Total Repairs and Maintenance	250,600	54,730

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

20. Contracted Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Actuarial valuations		
Investment valuations		
Property valuations		
Other		
Total contracted services	00	00

21. Grants and Subsidies

Description	2024/2025	2023/2024
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Social benefits expenses		
Community Trust		
Sporting Bodies		
Others		
Total Grants and Subsidies		

22. Finance Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Borrowings (Amortized Cost)*		
Finance Leases (Amortized Cost)		
Unwinding of Discount from lease liabilities		
Bank Charges	6,145	4018
Interest on Loans from Commercial Banks		
Others		
Total Finance Costs	6,145	4018

23. Gain On Sale of Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Intangible Assets		
Other Assets not capitalised		
Total Gain On Sale of Assets		

24. Gain/(loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Fair value on equity investments		
Fair value arising from investment property		
Fair value arising from biological assets		
Fair value- other financial assets		
Total Gain		

25. Impairment Loss

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	495,297.60	25,257
On - Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others		
Total Cash and Cash Equivalents	495,297.60	25,257

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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

Financial Institution	Account Number	2023/2025 Kshs	2023/2024 Kshs
a) Current Account			
Kenya Commercial Bank		495,297.60	25,257
Equity Bank, etc.			
National Bank		9,875	
Sub- Total		495,297.60	25,257
b) On - Call Deposits			
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			
Cash in Transit			
Cash in Hand			
Mobile Money account			
Sub- Total			
Grand Total		495,297.60	25,257

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	1,431,248	145,500
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables	1,431,248	145,500

27 (b) Long- term Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of the to
Less than 1 year	1,431,248	%	145,500	%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	1,431,248	%	145,500	%

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year		

28. Receivables from Non-Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*		
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables		

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2024/2025		2023/2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024/2025 Kshs	2023/2024 Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

29. Inventories

Description	2024/2025 Kshs	2023/2024 Kshs
Consumable stores		
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		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

30. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK		
CBK		
Sub- Total		
b) Investment with Financial Institutions/ Banks		
Bank X		
Bank Y		
Sub- Total		
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company Xxx		
Sub- Total		
Grand Total		

d) Shareholding in other entities

For investments in equity shares listed under note 30 (c) above, list down the equity investments under the following categories:

Name of College where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		2024/2025	2023/2024
	%	%	%	Kshs	Kshs	Kshs
College A						
College B						
	xxx	xxx	xxx	xxx	xxx	xxx

31. Prepayments

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Prepaid Rent		
Prepaid Electricity Costs		
Other Prepayments		
Total	00	00

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023 (previous year)		56,774,332		165,777	261,800				57,201,909
Additions				68,000					68,000
Disposals									
Transfers/Adjustments									
At 30th June 2024 (previous FY)		56,774,332		233,777	261,800				57,269,909
Additions				872,500					
Disposal									
Transfer/Adjustments									
At 30th June 2025 (current year)		56,774,332		1,106,277	261,800				58,142,409
Additions									
Depreciation And Impairment									
At 1 July 2023 (previous year)									
Depreciation		1,112,777		21,720	54,978				1,189,475
Disposals									
Impairment									
At 30 Jun 2024		1,112,777		21,720	54,978				1,189,475
Depreciation									
Disposals									
Impairment									
Transfer/Adjustment									
At 30th Jun 2025 (current year)		1,090,521		106,798	38,485				1,235,804
Net Book Values									
At 30th Jun 2024		54,526,068		1,067,979	128,282				54,849,829

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
 Annual Report and Financial Statements for the year ended 30th June 2025

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th Jun 2025		53,435,547		961,181	89,797				54,486,525

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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).

32 (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			
Buildings			53,435,547
Plant And Machinery			
Motor Vehicles including Motorcycles			
Computers and Related Equipment			89,797
Office Equipment, Furniture, And Fittings			961,181
Total			54,486,525

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

33. Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions—internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

34. Investment Property

Description	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain or loss on fair value- if fair value is elected		
At end of the year		

35. Biological Assets

	2024/2025	2023/2024
	Kshs	Kshs
Cattle		
Trees		
Others		
Total		

36. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	391,950		17,950	
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables	67,890		374,000	
Total Trade and Other Payables	459,840		391,950	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	67,890	%	391,950	xxx
1-2 years	391,950	%	xxx	xxx
2-3 years	Xxx	%	xxx	xxx
Over 3 years	Xxx	%	xxx	xxx
Total	459,840	%	391,950	xxx

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

37. Refundable Deposits from Customers/Students

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Consumer deposits				
Caution money				
Other refundable deposits				
Total Deposits				
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	Xxx	%	xxx	%
1-2 years	Xxx	%	xxx	%
2-3 years	Xxx	%	xxx	%
Over 3 years	Xxx	%	xxx	%
Total (to tie to totals deposits above)	Xxx	%	xxx	%

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year					
Additional Provisions					
Provision Utilised					
Change Due To Discount And Time Value For Money					
Transfers From Non -Current Provisions					
Total Provisions					

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

39. Finance Lease Obligation

Description	2024/2025	2023/2024
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

Maturity Analysis

Period	Amount Kshs
Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and Onwards	xxx
Less: Unearned Interest	(xxx)
Total	xxx

Analysed as:

Description	Amount Kshs
Current	xxx
Non- Current	xxx
Total	xxx

40. Deferred Income

Description	2024/2025	2023/2024
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward				
Additions during the year				
Transfers to capital fund				
Transfers to income statement				
Other transfers				
Balance carried forward	00	00	00	00

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total Employee Benefits Obligation	xxx	xxx	xxx	xxx	xxx

Retirement benefit Asset/ Liability

The college operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Description	2024/2025	2023/2024
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Recognition of Retirement Benefit Asset/ Liability

- a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2024/2025	2023/2024
	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial Gains/ Losses Arising From changes In Financial Assumptions		
Actuarial gains and losses arising from experience adjustments		
Others		
Adjustments for restrictions on the defined benefit asset		
Remeasurement of the net defined benefit liability (asset)	00	00

- b) Amounts recognised in the Statement of Financial Position

Description	2024/2025	2023/2024
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others		
Net asset or liability arising from defined benefit obligation	00	00

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

The college also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The college's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. XXX per employee per month. Other than NSSF the college also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Fees received in advance	xxx		xxx	
Others	xxx		xxx	
Total	xxx		xxx	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

43. Borrowings

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Balance at beginning of the year				
External borrowings during the year				
Domestic borrowings during the year				
Repayments of external borrowings during the year				
Repayments of domestic borrowings during the year				
Balance at end of the year	00		00	

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

43 a) Analysis of External and Domestic Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'		
Sterling pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
Domestic borrowings		
Kenya shilling loan		
Total balance at end of the year	00	00

43 b) Breakdown of Long and Short-Term Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

44. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year					
Additional Provisions					
Provision utilised					
Change due to discount and time value for money					
Less: Current portion					
Total deferred income	00	00	00	00	00

45. Service Concession Arrangements

Description	2024/2025	2023/2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with disabilities benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

47. Cash generated from operations.

Surplus for the year before tax	2025	2024
	Kshs	Kshs
Adjusted for:		
Depreciation	xxx	xxx
Non-Cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and Losses on Disposal of Assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
Finance Income	(xxx)	(xxx)
Finance Cost	xxx	xxx

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

	2025	2024
	Kshs	Kshs
Surplus for the year before tax		
Working Capital Adjustments		
Increase in Inventory	(xxx)	(xxx)
Increase in Receivables	(xxx)	(xxx)
Increase in Deferred Income	xxx	xxx
Increase in Payables	xxx	xxx
Increase in Payments received in advance	xxx	xxx
Net Cash Flow from Operating Activities	xxx	xxx

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

(i) Credit risk

The college has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables 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 college's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024(previous year)				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				
At 30 June 2025 (current year)				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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 xxxx

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2024 (previous year)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 2025 (current year)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total	xxx	xxx	xxx	xxx

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the college'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 college's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The college has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the college's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)			
Liabilities			
Trade and Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)	00	00	00

The college manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx
20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx

b) Interest rate risk

Interest rate risk is the risk that the college's financial condition may be adversely affected as a result of changes in interest rate levels. The 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 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.

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

iv) Capital Risk Management

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

Description	2024/2025 Kshs	2023/2024 Kshs
Revaluation Reserve		
Retained Earnings		
Capital Reserve		
Total Funds		
Total Borrowings		
Less: Cash and Bank Balances		
Net Debt/(Excess Cash and Cash Equivalents)		
Gearing		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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		
Others		
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		
Others		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt		
Grants from County Government		
Donations in Kind		
Total		
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees		
Payments for Goods and Services for XX		

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Description	2024/2025	2023/2024
	Kshs	Kshs
Total		
d) Key Management Compensation		
Directors' emoluments		
Compensation to Key Management		
Total		

50. Segment Information

N/A

51. 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		
Others		
Total	00	00

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities		
Court Case Xxx against		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others		
Total	00	00

52. Capital Commitments

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

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

53. Events After the Reporting Period

There were material adjusting and non-adjusting events after the reporting period.

54. Ultimate And Holding College

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

55. Currency

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

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The college will include recommendations of Auditor General of the most recent audit in this financial statements.

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)
	Failure to prepare and submit quarterly financial reports	A finance officer was recruited on September 2025	Resolved	
	Variance between financial statement and supporting schedules	Financial statement has been amended to reflect the changes and payment vouchers provided for clarification	Resolved	
	Unsupported transfers from other levels of government	The management to ensure all transfers received are fully documented properly	Resolved	

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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)
	Lack of approved salary structure	The management to prepare a draft of the salary structure and to be submitted to be approved by the board.	Not yet	30 th June,2026
	Officers in the acting position beyond the legal limit	The names of the officers in the acting positions will be presented to the board for confirmation. The employees under PSC ,there letters will be forwarded to DHRM TVET for confirmation	Not yet	30 th June,2026
	Lack of training needs assessment and training plan	A draft of human resource management policy will be formulated that will put emphasis on the training needs for the staff.	Not yet	30 th June,2026
	Unsupported PPE; Ownership of land Unrecorded furniture purchase	Ownership of land; Ministry of Land has not replied to the letter sent to them till date but the management is on the issue. Unrecorded furniture purchase; Asset register has been updated	Not yet Resolved	30 th June,2025

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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)
	Failure to Report on inventory balance	The management to draft and implement the policy of stock take out at the end of every financial year.	Not yet	30 th June,2026
	Long outstanding trade and other payables	Inability to pay is due to the low revenue collection, low enrolment of students and low fee collection.	Not yet	30 th June,2026
	Lack of fraud management policies and risk management strategies	There is a draft awaiting to be approved by the board.	Not yet	30 th June,2026
	Lack of internal audit function and an audit committee	An audit committee is available but not internal audit function but soon to be looked into.	Resolved Not yet	30 th June,2026

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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)
	Lack of approved ICT policy	A draft is available awaiting to be approved by the board.	Not yet	30 th June,2026

(i)

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Name: SIMION CHEPLOGOI
Accounting Officer
Date : 2/12/25



NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix III- Inter-College Confirmation Letter

Name of transferring college.....

Name of beneficiary college.....

Confirmation of amounts received by [Insert name of beneficiary College] as at 30 th June (2023/2024)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing College:
 Name Sign Date

Head of Accounts Department - Beneficiary College:
 Name Sign Date.....

NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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NAROK SOUTH TECHNICAL & VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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 (Ksh s.)	Comments