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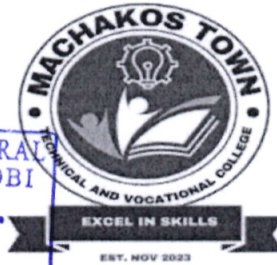
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Majority Party Whip
Irene Ndiku
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THE AUDITOR-GENERAL

ON

MACHAKOS TOWN TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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MACHAKOS TOWN TECHNICAL AND 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) – In Transition

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1. Acronyms and Definition of Key Terms

A. Acronyms

BETA	Bottom-Up Transformation Agenda
BOG	Board of Governors
CDACC	Curriculum Development Assessment and Certification Council
E-GP	Electronic Government Procurement Portal
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MTTVC	Machakos Town Technical and Vocational College
PFM	Public Finance Management
PPRA	Public Procurement Regulatory Authority
PSASB	Public Sector Accounting Standards Board
SDTVET	State Department for and Technical Vocational Training.
TTI	Technical Training Institute
TVET	Technical Vocational Education and Training

B. Definition of Key Terms

Comparative Year	Means the prior period.
Entity	something existing with clear identity and separate form others. For the purpose of these financial statements, it refers to Machakos Town TVC
Fiduciary Management	Key management personnel who have financial responsibility in the entity
Key management	Personnel who hold fundamental positions of decision making in the entity.

2. Key Entity Information and Management

(a) Background information

Machakos Town Technical and Vocational College is a public tertiary institution established in November 2023 under the TVET Act, 2013 under the Ministry of Education, State Department of Vocational and Technical Training. The College currently sits on a 1.19Ha parcel of land sold by the local community. The Institute is located approximately 35 km from Machakos Town. It is located in Kalama Sub-County, Machakos County near Kiatuni/Kyangala market shopping centres.

Machakos Town technical and Vocational College is one of the key drivers of the Kenyan Government Bottom-Up Transformation Agenda (BETA) of development as it provides skilled workforce needed for driving of economic growth and national development. The College offers Business and Technical related courses. The College is instrumental in setting up and fast-tracking business and technical training strategies through observance of high standards of integrity, competence and transparency whilst implementing the provisions of her mandate. One of the most important features of the institute is its orientation towards the world of work and the acquisition of relevant competency-based skills. Therefore, MTTVC delivery systems are well placed to trap and train skilled and entrepreneurial workforce that Kenya needs to create wealth and attain Vision 2030.

The College offers registered courses under TVET-CDACC curriculum. The college currently has currently Eight (8) academic departments: Electrical and Electronics Engineering, Mechanical & Automotive Engineering, Building & Civil Engineering, Agriculture and Environmental Studies, Computing and Informatics, Hospitality and tourism, Fashion Design and Cosmetology and Business Studies. The institute has Ten (10) service departments which include Examinations, Research and Innovation, Jitume Programme, Industrial Liaison Office, Guidance and Counselling, Office of Career Services (OCS), Greening, Clubs and Societies, Games and Sports, Repairs and Maintenance, The institute currently has a staff establishment of Fourteen (14) PSC trainers, six (6) BOG trainers, five (5) Non training staff and a student enrolment of four hundred and ninety four (494).

(b) Principal Activities

The principal activity of the institution is in its vision, mission, motto and core values.

VISION

To be a global Leader in provision of technical skills, Research and Innovation.

MISSION

To provide quality Education and Training program for self-reliance, industry market for sustainable development.

MOTTO

Excel in Skills and Technology

CORE VALUES

- Quality Training
- Creativity and Innovation
- Integrity
- Transparency and Accountability
- Ethical practices
- Team work
- Fairness and Equity
- Respect for Rule of Law

(c) Key Management

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

- Board of Governors
- Principal/ BoG Secretary
- Deputy Principal Administration
- Deputy Principal Academics
- Accountant
- Registrar
- Dean of Students
- Procurement officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chairman of the BOG	Prof. Joseph M. Mwinzi
2.	Principal	Dr. Timothy Kilonzo, PhD
3.	Deputy Principal Administration	Mrs Jedidah Mulandi
4.	Registrar	Mr. Denis Kilungu
5.	Finance Officer	Mr. Sylvester Mwangangi
6.	Dean of students	Mr. Samuel Mutuku

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The BOG Audit and risk Committee Activities

The Committee shall exercise all the powers of Board of Governors for Machakos Town TVC on Risk and Audit matters. The committee shall review the process but which the Institution's significant risks are identified and ensure that the board is fully informed on the risks.

It shall also monitor the overall risk management framework, the financial reporting processes, the compliance levels and the overall performance of the Institution.

Terms of Reference

The Committee responsibilities shall include:

- a. Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- b. Review and provide oversight on the establishment, implementation, maintenance, and of risk assessment, risk management, and risk reporting practices.
- c. Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- d. Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- e. The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- f. The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

Government Oversight Activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit for the Instructional activities is undertaken by the Office of the Auditor General.

The BOG Finance and Infrastructure development committee

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

Terms of Reference

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

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute 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 Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review, the activities of the Institute's various departments

1. Academic and research Committee Activities

The Committee shall exercise all the powers of BOG for Machakos Town TVC on Academic affairs, Research activities and Human Resource Management functions.

The Committee's responsibility shall include but not limited to the following:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to Machakos Town TVC and determine their continuation or discontinuation in such programmes.
- e. To determine the Academic policy of Machakos Town Tvc and to advise the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the training and instruction within the Institute subject to the powers of the Board.

2. Senior Management Function Activities

Advise the principal on strategic and management issues in relation to institution policies and academic matters as well as other leadership issues.

The main purpose of the Senior Management Team is to:

- 1) Advise the Principal on strategic and management issues relating to Institutional Policies and Academic matters on the leadership issues.
- 2) Ensure that Machakos Town TVC's Board of Governors is able to take strategic decisions relating to Machakos Town TVC's activities
- 3) Provide leadership in communicating Machakos Town TVC's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 4) Be accountable for the development and implementation of Machakos Town TVC's strategic, (corporate and business) plans curriculum implementation in line with the mission and values.
- 5) Take a strategic overview of performance in all areas of Machakos Town TVC's activities.

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(f) Entity Headquarters

Machakos Town Technical and Vocational College
P.O. Box 3544-90100
MACHAKOS, KENYA

(g) Entity Contacts

Telephone: +254 113 814 680

OR

+254 784 604 682

E-mail: machakostowntvc@gmail.com

Website: www.machakostowntvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Machakos Branch
Kenya

(i) Independent Auditors

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




(j) Principal Legal Adviser

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




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3. The Council/Board of Governors




(Wote TTI BoG- Mentor Institution)

Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
1. Prof. Joseph Mwinzi	Chairman		Overall Management of the Board Activities.	<p><u>Key Qualifications</u> Professor Mwinzi Holds PhD in Philosophy of Edu. University of South Africa). Masters Edu. Kenyatta University and a PGDE, KU, BA Philosophy of Edu. (Arbaniana University <u>Work experience-27 years</u> Taught in Secondary schools from 2008-2011, Senior Lecturer, UoN,(from 2018 to date) Supervising students at Masters and Doctoral students of Philosophy of Edu.</p>
2. Joshua Munywoki Kalola	Mentor		Overall in Charge of Institute Affairs	<p>Date of Birth 03/03/1966 <u>Qualifications</u> Masters [Project & Construction Management] BSc [Civil Engineering] <u>Work experience 30yrs</u> Has served earlier as a Principal in National Institutions 6yrs, Deputy Principal 8yrs, Technical trainer 16yrs as HOD, Deputy Registrar, Exams officer.</p>
3. Mr. Mohammed Abdi	Member		Chair of The Audit and Risk Committee	<p><u>Date of Birth</u> <u>Key Qualifications</u> Masters of Business Administration (MBA) HRM University of Nairobi, 2014 To Date Bachelor (Arts Hons, Moi University, 1998 to 1991 <u>Work experience</u> 2012 to date, works as a Certified Human Resource Professional (CHRP) 2009 - 2011 – Manager PM, I&D Postal Cooperation of Kenya, NAIROBI May 1992 – Nov 2009: worked among other places at KPTC</p>

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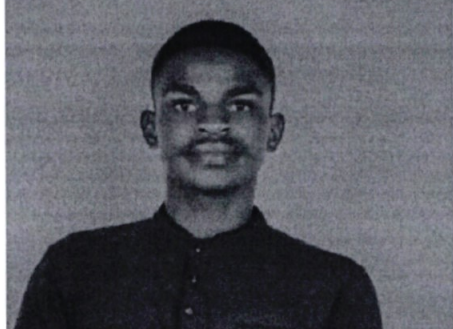
Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
4. Alfo nce M. Muti nda	PS Alternate Member		Member of the Education Research and Human Resource Committee	<u>Date of Birth</u> <u>Key Qualifications</u> BSC. Mech. Engineering, University of Nairobi , BSC. Engineering Science Brunel University, London PGDE, UoN <u>Work experience</u> 2017 to date Director, Vocational and Technical Education
5. Elizabeth N Muli Governor 's Represent ative	Member		Member of the Education Research and Human Resource Committee	<u>Date of Birth</u> <u>Key Qualifications</u> Masters in Business Administration, University of Nairobi , Bachelor of Business Information Technology (BBIT) Strathmore University (Dip. BIT) Strathmore University <u>Work experience</u> 2022 - Present County Minister of ICT, Education & Internship, Makueni County, in charge of Department of ICT, Education and Internship, implementation of County Government policies in the department, conveying County Executive committee decisions to the relevant people among other duties and responsibilities
6. Eng. Jacinta W.Mwan gi	Member		Member of Finance, Infrastructure and Development Committee	<u>Date of Birth</u> – 01/01/1973 <u>Key Qualifications</u> Master's in Business Administration , Kenyatta UniversityOngoing , Bsc in Civil Engineering –Jomo Kenyatta University <u>Work experience</u> 2009-2019 Regional Manager2019 – Date -Deputy Director, Kenya Urban Roads Authority Kenya Urban Roads Authority 2003-2008 District Works Officer /District Roads Engineer ,1998-2003 Designer in the Roads Department ,Assistant Engineer ,Mombasa Road

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Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
7. Isaac Nduvi	Member		Chair of the Finance and Development Committee	<p><u>Date of Birth</u> – 21/3/1970 <u>Key Qualifications -22 years</u> M.A in Economic Policy Management, University of Nairobi, B. Com(Accounting)-Hons, Kenyatta University <u>Work experience -19 years</u> 2008-Date-Head, Risk Management & Compliance 2004-2006, Credit bank LTD, Operations Officer, Equity Bank, 2002-2004 Assistant Accountant ,Bible Society of Kenya</p>
8. Ms Lucy Lau Bigham	Member		Member of the Education Research and Human Resource Committee	<p><u>Date of Birth</u> – 14/10/1962 <u>Qualifications-</u> MA international Business Analysis – University of Northampton, UK -2001 BA in Design – University of Nairobi – 1987 Robert Smith Fellowship – Fabric Workshop and Museum, Philadelphia 2003 – 2009 Training for development(TFD) Technical Cooperation Program, USAID – USA -1994 Organization & Management of Income Generating Projects – Goldameir Institute, Israel -1992 Program Management for Women in Sub Sahara – Eastern & Southern Management Institute(ESAMI) – Tanzania – 1989 <u>Work experience -</u> Management Executive CEO/Director – Highly qualified executive manager offering more than 20 years experience.</p>
9. Lilian C. Kosgey	Member		Member of Risk and Audit Committee	<p><u>Date of Birth</u> – <u>Key Qualifications</u> Bachelor of Laws(LLB) –Moi University, Diploma in Law(Kenya School of Law) Master of Laws(LLB) in progress Member of CPS(K) and a Certified Mediator <u>Work experience</u> Advocate of the High Court of Kenya with over 8 years, commissioner for Oaths and a Notary Public. Currently the legal officer ADC</p>

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4. Key Management Team

Manager	Title	Photograph	Qualifications & Responsibility	
			Responsibility	Date of Birth & Qualifications
Dr Timothy Kilonzo	Principal /Secretary BoG		Overall, in Charge of College Affairs	21/08/1972 Qualifications <ul style="list-style-type: none"> • PHD in Human Resource Management • Master of Business Administration • Bachelor of Science in Natural Resources Management Work experience 27 years
Jedidah Mulandi	Deputy Principal Administration		Administration Affairs of the College Member of Education Research and Human Resource Committee	24/06/1980 Qualifications <ul style="list-style-type: none"> • Master of Science Microbiology • Bachelor of Education Science in Biology & Chemistry Work Experience – 14years
Samuel Mutuku	Ag. Dean of students		In Charge of student's affairs	<u>09/10/1992</u> Qualifications <ul style="list-style-type: none"> • Bachelor of science Electrical and Electrical Engineering Work experience -7 years
Sylvester Mwangangi	Accountant		Financial Management of the Institute	<u>19/02/2001</u> Qualifications <ul style="list-style-type: none"> • Bachelor of Commerce (finance option) • CPA Foundation Level • Intermediate level – on going Work experience 3 years

5. Chairman's Statement

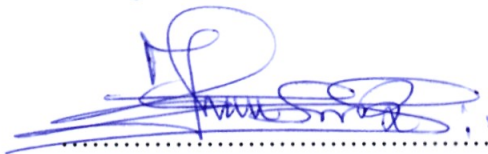
I wish to take this opportunity to present the Machakos Town Technical and Vocational College 2024/2025 annual financial report. The board has been active during the year under review in managing the affairs of the Institute. During the year under review, the board in consultation with the management continued with the review and the implementation of the institute strategic plan in line with the dynamics of the TVET sector.

As a board, we have encouraged a change in the mind-set of our people as we leverage on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the Institution. Particularly we have collaborated with the County Government of Machakos on various academic and economic ventures. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the Institution from within and around the County. Our current student population has grown to 373 since the inception of the College. During the year under review, the management has carried out an aggressive popularity campaign in the entire Machakos County where our catchment is centred.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that creates value for the Institute. For the few months of existence, Machakos Town Technical and Vocational College has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligations. As a board, we have collaborated with the management in strengthening the existing governance policies which included improved customer service through provisions conducive working space for our staff.

I would like to thank all our stakeholders especially the Ministry of Education, the MP Machakos Town Constituency, NG-CDF Machakos Town Constituency, County Government of Machakos and all other development partners for the support they continue to accord the Institution, without which our achievements would not have been realized. Finally, I wish to appreciate my fellow board members and the management staff for their efforts in supporting the realization of the college mandate.



THE BOG CHAIRMAN
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date.....28/08/2025.....

Prof. Joseph M. Mwinzi
Chairman Board of Governors
Date: 28/08/2025

Machakos Town Technical and Vocational College
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6. Report of the Principal

I wish to take this opportunity to present to you the annual financial statements for Machakos Town TVC for the year ending 30th June 2025. Being, one of the new public TVET institutions, Machakos Town TVC continues to fulfill its mandate of equipping students with market-relevant skills and fostering innovation. Our institution offers a variety of modularized courses, including Level 3 (Artisan), Level 4 (Craft), Level 5 (Certificate) and Level 6 (Diploma) programs in fields which include Mechanical and Automotive engineering, Electrical and Electronics Engineering, Building and Civil Engineering, Agriculture and Environmental Studies, Computing and Informatics, Business Studies, Fashion Design and Cosmetology and Hospitality and Tourism.

During the year under review, the institution recorded an enrolment of 494 students. This reflects the increasing demand for technical skills and the institution's efforts to enhance the quality and relevance of its programs. The college also employed six BOG Trainers and five support staff who are qualified to uphold their respective positions effectively.

During the financial year under review, the college was able to do the following:

- ✓ Installation of additional ablution block
- ✓ Procured some departmental training materials and equipment's.
- ✓ Drilled borehole to serve the students at their different places of residence
- ✓ Installed an MIS system to cover Finance, Registry, Examination and Procurement.
- ✓ Construction of Masonry Yard by building Trainees.
- ✓ Installed shelves and curtains in offices and main store
- ✓ Drip irrigation system.
- ✓ Airtel Internet for back up
- ✓ Appointment of BOG Members

While the institution achieved significant milestones, it also faced several challenges:

- **Equipment Shortages:** Some programs are still under-resourced in terms of up-to-date equipment, limiting the effectiveness of certain practical training sessions.
- **Inadequate Funding:** Despite increased enrollment, funding remains a challenge most students had not paid fully their fees.

In the coming year, Machakos Town TVC will prioritize the following areas:

- **Curriculum Innovation:** We will continue to review and update our courses to align with technological advancements and market demands.

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- **Expansion of Infrastructure:** The institution plans to embark on projects, including the construction of additional workshops and classrooms, installation of hostels
- **Strengthening Industry Linkages:** We aim to deepen our partnerships with industries to provide more apprenticeship and employment opportunities for our graduates.

In conclusion, I extend my heartfelt thanks to the Board of Governors, teaching and non-teaching staff, students, parents, and all stakeholders for their unwavering support throughout the year. Together, we have made significant progress in improving the quality of training and management. As we look ahead, I am confident that the institution will continue to play a pivotal role in the development of a skilled workforce, contributing to Kenya's socio-economic growth.

Handwritten signature
.....

Dr. Timothy Kilonzo, PhD

Principal/ Secretary BoG

Date: 28/08/2025

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date..... 28/08/2025

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7. Statement of Performance against Predetermined Objectives

Machakos town technical and vocational college has three strategic pillars and objectives within its current Strategic Plan for the FY 2024- FY 2028. These strategic pillars are as follows:

- Pillar 1: Programme Implementation
- Pillar 2: Institutional Development
- Pillar 3: Resource Development and management

Machakos Town TVC develops its annual work plans based on the above three pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Machakos Town TVC achieved its performance targets set for the FY 2024/2025 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Programme Implementation	Source and Implement of Market-Driven Programmes	Carry out market intelligence surveys, and implement accredited training programmes	The college has been accredited to train 31 modularised courses by TVETA
		Harmonization and standardization of training	Harmonize training curricula, Examination process and review and coordinate teaching of practical’s	The trainees engage in practical’s and the college is in the process to procure more training materials
		Implementation of Management Information System (MIS)	Procure and install ERP MIS, Train users on the system, and establish a data base of trainees	The college has ERP system installed and users trained.
Pillar 2	Institutional Development	Enhance Branding and Visibility	Undertake public sensitization on mandate and programmes of the institute	Public sensitized through public gatherings and chiefs Barraza’s
		Leverage on ICT	Develop and Implement an ICT Policy and Strategy	ICT policy implemented

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		Adopt good corporate governance practices	Review and implement the Service Delivery Charter	The service delivery charter was implemented
Pillar 3	Resource Development and management	Attract and retain high performing staff	Recruitment of BoG teaching staff;	Six BoG Trainers were employed
		Review cost effectiveness of the programmes and activities	Carry out a market survey on pricing of training programmes;	Adopted new TVET financing model
		Effective budgeting and budgetary control	Request for resource requirements from Departments	The departments prepare requisition forms and submit to the principal before the grand budget is done

8. Corporate Governance Statement

The Institute affirms that good corporate governance is simply good business. The Institute commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote Technical Training Institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

Machakos Town TVC managed to have BoG Nominations in May 2025 and is awaiting official appointment by the cabinet secretary MOE.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the Institutions in accordance with the provisions of this TVET 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 TVET Act and any other written law;
- c) Administering and managing the property of the Institution;
- 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 TVET Act 2013 Technical and Vocational Education and Training No. 29
- 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 qualification's framework and the provisions of this Act;
- k) Approving collaboration or association with other Institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's 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 TVET Authority;

Machakos Town Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2025

- 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 submits the same to the ministry
- 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.

iii. Board of Governors Allowances

The board approved allowances to board members to cater for their transport and sitting allowances while attending meetings and other seminars or capacity building conferences called by the PS office.

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.
- b. Board Committee Meetings, or working committees are held once every term. The board working committee includes the following:
 - Academic, Research and Human Resource Management Board Committee -meetings once every term.
 - Finance Infrastructure and development Committee – meeting once every term
 - Risk and Audit Committee – meeting once every term

9. Management Discussion and Analysis

i. Operational Performance;

During the financial year under review, the college was able to do the following:

1. Drilled borehole to serve the students at their different places of residence and community.
2. Installation of ablution block
3. Installation of Airtel Internet for Back Up
4. Procured some departmental training materials and equipment's.
5. Installed an MIS system to cover Finance, Registry, Examination and Procurement.
6. Construction of Masonry Yard by building Trainees.
7. Installed shelves and curtains in offices and main store
8. Drip irrigation system.
9. Airtel Internet for back up
10. Appointment of BOG Members

ii. Financial Performance

The entity is fairly stable financially. It operates on fees received from students, governments grant and scholarship.

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

a) Compliance With Statutory Requirements

The entity did not have any compliance issues relating to its statutory requirements.

b) Key Projects and Investment Decisions

Generation of additional income to boost resource base of the college is key. Towards this goal, the College embarked on maize and vegetables production through the agriculture trainees, sale of food by Hospitality trainees, short courses in ICT. The college has plans to introduce more income generating activities.

c) Major Risks

The entity as an educational institution receives incomes from Government Scholarship, fees from students and income generating activities and may expect funds from externally mobilized resources. This may pose financial risks which the college do not foresee in its financial operations since the management in collaboration with the BoG from the mentor institution has put in place strong financial management policies and internal control systems aimed at minimizing risks that may arise.

The college credit risk is mitigated and protected by holding deposits in state approved and reputable banking institutions namely, Kenya Commercial Bank.

The college holds high quality fee debts that are continually being monitored with a major portion being receivables underwritten by GOK agencies like HELB.

The capital risk was minimal at the year-end since there was no external borrowing.

d) Material Arrears in Statutory/ Financial Obligations

The college complied with all laws and key regulations that relate to its statutory obligations under the NSSF, SHIF, INCOME TAX and LABOUR laws of Kenya. The college has also complied with PFM laws that relate to public procurement and asset disposal, annual estimates and financial reporting.

10. Environmental And Sustainability Reporting Statement

A conducive working environment and well-trained personnel are pre-requisite factors that promote prudent financial management and an overall better service delivery to an institution such as ours.

Sustainability strategy and profile

In the pursuit to enhance proper financial management, the college has and will put the following measures in place: -

- i. Employed qualified accountant to streamline financial assets.
- ii. Customised and implemented financial procedures to ensure adoption of best practices in financial management.
- iii. Procure and install Finance Management Information System to ensure proper and accuracy of financial data.

Environmental performance

The college is guided by other various policies that work in line with the financial policies and support the smooth running of the organization. These include the procurement procedures and policies, Academic procedures and policies and Human resource policies among others. These has helped address challenges related to misappropriation and reduction of wastage in financial management.

Employee welfare

The college adheres to the Public Service HR manual on hiring of officers in finance department. Being a new college, it only had the capacity to employ one male accountant, one male Procurement Officer and Two (1 male and 1 female) BoG trainers and it's anticipating to add more personnel in conformity to the one- third gender rule. The staff in the department will be trained regularly within and outside the college to upgrade their skills and be informed on emerging issues in the finance sector and more specifically TVET Institutions. The college is in the process of developing *Occupational Safety and Health Act of 2007(OSHA)*

Market place practices-

The college is situated in a serene environment away from activities that distract learning activities. Being a new institution, the institution has adhered to Government guidelines in charging of fees related to TVET institutions to encourage enrolment and retention.

To mitigate on corruption, the college has worked in partnership with EACC in this FY to implement guidelines in relation to corruption prevention in TVET institutions and Government Agencies.

The college registered suppliers for the financial year 24/25 and endeavours to continually register them to ensure adequate and quality suppliers for goods and services to the college. Payment of suppliers is done within 90 days upon receipt of goods and services and completion of documentation as per procurement procedures. The college has registered in E- Government Procurement (e-Gp) Portal under (PPRA).

Advertisement by the college is usually done through electronic media, and NGAO Barrazas. The college has a website which is regularly updated with information; Facebook is commonly used to update information about the college to our followers. Area sub chiefs are also a key partner in marketing the college to the local community.

Trainees are engaged in inter – departmental sporting activities and we have joined other TVET institutions for competitions and recreational purposes. To promote good health of trainees and staff, the college scheduled for health sensitization and provided clean water for drinking. All Staff have registered with SHIF to ensure affordable health care. Each staff member is also registered as a member of NSSF to contribute to the welfare scheme for retirement.

Corporate Social Responsibility / Community Engagements

The college gave partial scholarship to some trainees and free transport to new trainees recruited from far locations.

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

11. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Machakos Town TVC affairs.

Principal activities

The principal activities of the entity are;

- Offer TVET Training.
- Prepare and guide trainees for evaluation and certification by appropriate examining bodies.
- To promote science, technology and innovation in all training programs.
- To nurture trainees in different capacities.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 42.


Council/Board of Governors

The members of the Board /Council who served during the year are shown on page x.

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act.

By Order of the Board


.....
Dr. Timothy Kilonzo, PhD
Secretary of the Board/Council
Machakos Town Technical and Vocational College
Date: 28/08/2025

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date.....28/08/2025

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 council members to prepare financial statements in respect of Machakos Town TVC which give a true and fair view of the state of affairs of Machakos Town TVC at the end of the financial year/period and the operating results of Machakos Town TVC for that year. The Council members are also required to ensure that Machakos Town TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the Machakos Town TVC. The council members are also responsible for safeguarding the assets of the entity.

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

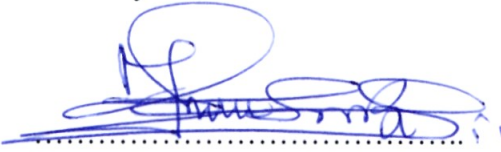
The Council members accept responsibility for Machakos Town TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The council members are of the opinion that Machakos Town TVC financial statements give a true and fair view of the state of Machakos Town TVC transactions during the financial year ended June 30, 2024, and of Machakos Town TVC financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Machakos Town TVC, which have been relied upon in the preparation of Machakos Town TVC financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the principal has assessed Machakos Town TVC ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that Machakos Town TVC will not remain a going concern for at least the next twelve months from the date of this statement.

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

Approval of the financial statements

Machakos Town TVC financial statements were approved by the Board on 28/08/2025 and signed on its behalf by:



Name: Prof Joseph Mwinzi

Chairperson of the Board/Council

THE BOG CHAIRMAN
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date.....28/08/2025



Name: Dr. Timothy Kilonzo, PhD

Principal/ Secretary BoG

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date.....28/08/2025

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MACHAKOS TOWN 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 Machakos Town Technical and Vocational College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025, the statement of financial performance, statement of

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos Town 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

Lack of Ownership Documents

The statement of financial position and as disclosed in Note 17 to the financial statements reflect a balance of Kshs.64,941,602 in respect to property, plant and equipment. Included in the amount is land valued at Kshs.590,000 which does not have ownership documents in the name of the Institution. However, Management did not provide measures put in place to acquire the title deed.

In the circumstances, the ownership of land valued at Kshs.590,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Machakos Town 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

1. Long Outstanding Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.4,534,585 which, as disclosed in Note 19 to the financial statements include payables amounting to Kshs.1,038,620 which have remained outstanding for over one (1) year. Management did not provide measures put in place to settle the bills.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.16,797,250 and Kshs.9,890,458 respectively resulting in under-funding of Kshs.6,906,793 or approximately 41% of the budget. Similarly, the statement reflects actual expenditure of Kshs.7,506,038 against actual receipts of Kshs.9,890,458 resulting in under absorption of Kshs.2,384,420 or approximately 24% of actual receipts.

The underfunding and under absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of Machakos Town Technical and Vocational College for the financial year 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Lack of Internal Audit Function and Audit Committee
2	2023/2024	Failure to Authenticate Academic and Professional Certificates

Other Information

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

In connection with my audit on the 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 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 effects of the matter 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

Failure to Maintain Assets Register in the Prescribed Format

The statement of financial position and as disclosed in Note 17 to the financial statements reflect Kshs.64,941,602 in respect to property, plant and equipment. However, review of the assets register revealed that it lacked essential details such as provision for recording assets procured or disposed during the year, accumulated depreciation and depreciation charged on individual assets during the year. This is contrary to Section 143(1) of the Public Finance Management (National Government) Regulations, 2015 which require the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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 effects of the matter 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

Lack of Segregation of Duties in Cash Management

Review of cash management process revealed that there was no segregation of duties in the collection, banking, payments and reconciliations of cash and cash equivalents since the duties were performed by one officer. Lack of internal controls in cash management increases the risk of misappropriation of cash and errors.

In the circumstances, the existence of internal controls in cash management could not be confirmed.

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

Responsibilities of the Management and Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 require 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

28 November, 2025

Machakos Town 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

STATEMENT OF FINANCIAL PERFORMANCE	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,999,310	1,500,000
Grants from donors and development partners		-	-
Transfers from other levels of government	7	2,129,655	-
Public contributions and donations		-	-
		4,128,965	1,500,000
Revenue from Exchange transactions			
Rendering of services- fees from students	8	14,555,338	9,743,180
Sale of goods	9	16,685	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income	10	8,000	-
Revenue from Exchange transactions		14,580,023	9,743,180
Total Revenue		18,708,988	11,243,180
Expenses			
Use of goods and services	11	8,987,076	1,989,165
Employee costs	12	1,785,147	427,440
Board /Council Expenses		-	-
Depreciation and amortization expense	13	2,197,497	2,144,330
Repairs and maintenance	14	229,780	-
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
Total Expenses		13,199,500	4,560,935
Other Gains/(Losses)		-	
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		-	-
Total Other Gains/(Losses)		-	
Net surplus/(deficit) for the year		5,509,488	6,682,245

(The notes set out on pages 10 to 41 form an integral part of the Annual Financial Statements).

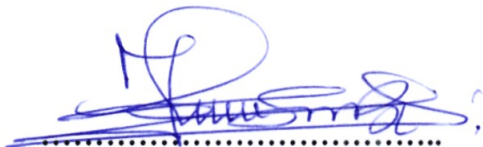
**Machakos Town Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

The Financial Statements set out on pages 1 to 9 were signed by:

THE BOG CHAIRMAN
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date: 28/08/2025

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date: 28/08/2025

ACCOUNTANT
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100, MACHAKOS
Date: 28/8/25 Sign: [Signature]



Prof. Joseph Mwinzi
Chairman of Board

Dr. Timothy Kilonzo, PhD
Principal

Sylvester Mwangangi
Finance Officer
ICPAK No

Date: 28/08/2025

Date: 28/08/2025

Date: 28/08/2025

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

15. Statement of Financial Position As At 30th June 2025

STATEMENT OF FINANCIAL POSITION	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	630,970	18,775
Current portion of receivables from exchange transactions	16(a)	9,095,576	9,046,650
Receivables from non-exchange transactions			
Inventories			
Investments in financial assets			
Prepayments			
Total Current Assets		9,726,546	9,065,425
Non-Current Assets			
Long term receivables from exchange transactions	16(b)	9,319,416	
Investments		-	
Property, plant, and equipment	17	64,941,602	66,716,100
Intangible assets	18	600,000	-
Investment property		-	
Biological Assets		-	
Total Non-Current Assets		74,861,018	66,716,100
Total Assets (A)		84,587,564	<u>75,781,525</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	4,534,585	2,595,870
Total Current Liabilities		4,534,585	2,595,870
Non-Current Liabilities			
Total non- current liabilities			
Total Liabilities (B)		4,534,585	2,595,870
Net Assets (A-B)		<u>80,052,979</u>	73,185,655
Represented By:			
Revaluation Reserves			
Accumulated Surplus		12,191,733	6,682,245
Capital Fund		67,861,246	66,503,410
Net Assets		<u>80,052,979</u>	<u>75,781,525</u>

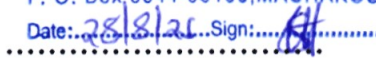
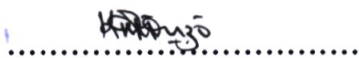
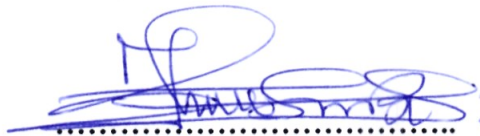
Machakos Town Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 9 were signed by:

THE BOG CHAIRMAN
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date: 28/08/2025

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date: 28/08/2025

ACCOUNTANT
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box, 3544-90100, MACHAKOS
Date: 28/8/25 Sign: [Signature]



Prof. Joseph Mwinzi
Chairman of Board

Dr. Timothy Kilonzo, PhD
Principal

Sylvester Mwangangi
Finance Officer
ICPAK No

Date: 28/08/2025

Date: 28/08/2025

Date: 28/08/2025

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

STATEMENT OF CHANGE IN NET ASSET	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2023 (previous year)	-	-	66,503,410	66,503,410
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	6,682,245	-	6,682,245
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	6,682,245	66,503,410	73,185,655
At July 1, 2024(current year)	-	-	67,861,246	67,861,246
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	5,509,488	-	5,509,488
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	-	12,191,733	67,861,246	80,052,979

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

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

STATEMENT OF CASH FLOWS		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	1,999,310	1,500,000
Grants from donors and development partners		-	
Transfers from other levels of government	7	2,129,655	-
Public contributions and donations		-	
Rendering of services- fees from students	8	5,718,033	696,530
Sale of goods	9	16,685	
Rental revenue from facilities and equipment		-	
Finance income		-	
Miscellaneous income	10	8,000	-
Total Receipts		9,871,683	2,196,530
Payments			
Use of goods and services	11	7,122,661	1,364,165
Employee costs	12	1,907,047	427,440
Board /Council Expenses		-	
Repairs and maintenance	14	229,780	-
Contracted services		-	
Grants and subsidies		-	
Total Payments		9,259,488	1,791,605
Net Cash Flows from operating activities	20	612,195	404,925
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	- 386,150
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities			
Cash flows from financing activities		-	- 386,150
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities			-
Net Increase/(Decrease) in Cash and Cash equivalents		612,195	18,775
Cash and Cash equivalents at 1 JULY 2024	15	18,775	-
Cash and Cash equivalents at 30 JUNE 2025	15	630,970	18,775

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

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

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*		-	-	18,775	- 18,775	
Receipts		-	-		-	
Transfers from other National Government entities		-	-	1,999,310	- 1,999,310	
Transfers from other levels of government		-	-	2,129,655	- 2,129,655	
Rendering of services- fees from students	16,797,250	-	16,797,250	5,718,033	11,079,218	34
Sale of goods		-	-	16,685	- 16,685	
Miscellaneous Income		-	-	8,000	-8,000	
Total Receipts	16,797,250	-	16,797,250	9,890,458	6,906,793	59
Payments		-	-		-	
Use of goods and services	11,100,000	-	11,100,000	5,491,111	5,608,889	49
Employee costs	1,760,000	-	1,760,000	1,785,147	- 25,147	101
Board /Council Expenses	1,000,000	-	1,000,000	-	1,000,000	-
Repairs and maintenance	300,000	-	300,000	229,780	70,220	77
Total Expenditure Payments	14,160,000	-	14,160,000	7,506,038	6,653,962	53
Capital Expenditure Payments	2,637,250	-	2,637,250		2,637,250	-
Surplus	-		-	2,384,420		

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

- The management estimates during budget preparation were a student population of 250 and each was to pay a sum of 67,189 payable in two terms totalling to **16,797,250**. This was to be paid through students applying for government scholarship and student HELB loan. Under rendering of services, The Enrolment was high projections and there were delays/non-payment from students due to the delay in disbursement of government scholarship and HELB tuition money.
- Under the use of good and services the expenditure was less than budgeted due **to lack of enough funds and therefore** some planned purchases or services were deferred or cancelled.

2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	2,384,420
Reason for Differences- Previous financial year Trade Payables Payments	- 1,631,550
Reason for Differences- Previous financial year salary Payments	- 121,900
Closing Cash and Cash Equivalent as per the statement of Cash flows	630,970

19. Notes to the Financial Statements

1. General Information

Machakos Town TVC is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical skills and knowledge.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</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. <i>State the expected impact of the standard to the Entity if relevant</i>
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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across

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	<p>IPSAS by:</p> <ol style="list-style-type: none"> 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. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>State the expected impact of the standard to the Entity if relevant</i>
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iii. Early adoption of standards

Machakos Town TVC did not early –adopt any new or amended standards in the financial year 2024/2025

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 entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on **27/06/2025**. 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 entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 2024/2025 budget following the Council/ Board's approval. The entity'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 cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per CAP 470 of the Income Tax Act.

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

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

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

l) Provisions

Provisions are recognized when the *Entity* 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 *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

The *Entity* 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 *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

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

n) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

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

s) Related parties

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

t) Service concession arrangements

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The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Transfers from other National Government entities	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	
Operational Grant	1,999,310	1,500,000
Development grants	-	
Other Grants	-	
Total unconditional Grants	1,999,310	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	1,999,310	1,500,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023/2024
State Department of TVET	499,828	-	-	-	500,000.00
State Department of TVET	499,828	-	-	-	500,000.00
State Department of TVET	499,828	-	-	-	500,000.00
State Department of TVET	499,828	-	-	-	-
Total	1,999,310	-	-	-	1,500,000.00

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix xxx

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7. Transfers from Other Levels of Government

Transfers from Other Levels of Government	2024/2025	2023/2024
	Kshs	Kshs
Transfer from Wote Technical Training Institute	499,828	
Transfer from Wote Technical Training Institute	1,130,000	
Transfer from Wote Technical Training Institute	499,828	
Total Transfers	2,129,655	

8. Rendering of Services

RENDERING OF SERVICES	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	13,813,338	9,743,180
Computer Packages Fees	8,000	-
School ID Fee	2,500	-
Examination Fees	730,500	-
Student Welfare Fee	1,000	-
Total Revenue from The Rendering of Services	14,555,338	9,743,180

9. Sale of Goods

SALE OF GOODS	2024/2025	2023/2024
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	12,705	-
Cafeteria sales	3,980	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	16,685	-

This is income from practical meals prepared by hospitality students and sale of vegetables and maize harvested by agriculture trainees.

10. Miscellaneous Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Income from sale of tender	8,000	-
Total other income	8,000	-

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11. Use of Goods and Services

USE OF GOODS AND SERVICES	2024/2025	2023/2024
	Kshs	Kshs
Teaching and learning materials	4,625,965	140,525
Food Production Practical's Expense	222,865	
Electricity Expenses	-	15,000
Activity Expense	256,335	-
Water	-	90,100
Examination fees	752,300	-
Training, Travelling and accommodation Expenses	855,166	552,900
Insurance	10,500	-
Printing and stationery	246,900	5,360
TVETA Expenses	110,000	71,000
KATTI expenses	227,800	-
Administrative Expenses	541,147	124,000
Marketing Expenses	634,000	330,130
Internet expenses	15,000	574,000
Student IDs	4,950	-
Cosmetology Practical Materials	35,770	-
Building & Construction Practical Materials	392,508	-
tuition Expense	48,260	-
Dual TVET assessments	6,000	-
licenses and permits	-	80,000
Bank Charges	1,610	6,150
Total good and services	8,987,076	1,989,165

From the use of goods indicated above the actual use of goods relating to the financial year 2024/2025 is KSh. KSh. 5,491,111. The difference of KSh.3,495,965 relates to unpaid use of goods and services as shown under ageing analysis of trade payables.

12. Employee Costs

EMPLOYEE COSTS	2024/2025	2023/2024
	Kshs	Kshs
	Kshs	Kshs
Salaries and wages	1,566,204	427,440
Employee related costs - contributions to pensions and medical aids	218,943	
Social contributions	-	
Employee Costs	1,785,147	427,440

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13. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	2,197,497	2,144,330
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	2,197,497	2,144,330

14. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property	7,150	
Investment property – earning rentals	-	
Equipment and machinery	-	
Vehicles	-	
Furniture and fittings	202,630	
Computers and accessories	20,000	
Total Repairs and Maintenance	229,780	

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15. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	630,970	18,775
On - Call Deposits	-	
Fixed Deposits Account	-	
Staff Car Loan/ Mortgage	-	
Others (Specify)	-	
Total Cash and Cash Equivalents	630,970	18,775

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

		2024/2025	2023/2024
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1322697868	630,970	18,645
Sub- Total		630,970	18,645
Cash in Transit		-	-
Cash in Hand		-	130
Mobile Money account		-	-
Sub- Total		630,970	130
Grand Total		630,970	18,775

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	18,414,992	9,319,416
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables	18,414,992	9,319,416

167(b) Ageing Analysis of Receivables from Exchange transactions

	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,095,576	49%	9,319,416	100%
Between 1- 2 years	9,319,416	51%		%
Between 2-3 years	-			%
Over 3 years	-			%
Total (a+b)	18,414,992	100%	9,319,416	100%

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17. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.50%	12.50%	33%	2%	
At 1 July 2023 (previous year)	590,000	65,913,410	-	-	-	66,503,410
Additions			1,386,500	970,520		2,357,020
At 30th June 2024 (previous FY)	590,000	65,913,410	1,386,500	970,520	-	68,860,430
Additions			423,000			423,000
Disposals						
Transfer/Adjustments						
Revaluation						
At 30th June 2025 (current year)	590,000	65,913,410	1,809,500	970,520	-	69,283,430
Depreciation And Impairment						
At 1 Jun 2024 (previous year)						
Depreciation	-	1,647,835	173,313	323,183	-	2,144,331
Disposals						-
Impairment						-
At 30 Jun 2025 (current year)						-
Depreciation	-	1,647,835	226,188	323,474	-	2,197,497
Disposals						
Impairment						
Transfer/Adjustment						
At 30th Jun 2025 (current year)		3,295,671	399,500	646,657	-	4,341,828
Net Book Values						
At 30th Jun 2024 (previous year)	590,000	64,265,575	1,213,188	647,337	-	66,716,099
At 30th Jun 2025 (current year)	590,000	62,617,740	1,410,000	323,863	-	64,941,602

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued through the NG-CDF Machakos town constituency.

17 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	590,000	-	590,000
Buildings	65,913,410	3,295,671	62,617,740
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	970,520	646,657	323,863
Office Equipment, Furniture, And Fittings	1,809,500	399,500	1,410,000
Total	69,283,430	4,341,828	64,941,602

18. Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year		
Additions	600,000.00	
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	600,000.00	

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19. Trade and Other Payables

TRADE PAYABLES	2024/2025	2023/2024
	Kshs	Kshs
Trade payables	4,534,585	2,595,870
Fees paid in advance		
Salary deductions		
Third-Party Payments		
Other Payables		
Total Trade and Other Payables	4,534,585	2,595,870

Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,495,965	77	2,595,870	100
1-2 years	1,038,620	23		
2-3 years				
Over 3 years		-		
Total (to tie to totals above)	4,534,585	100	2,595,870	100

These are the amounts owed to suppliers for goods and services received but not yet paid for. This includes both previous year and current year creditor's balances as shown above.

20. Cash generated from operations.

CASH GENERATED FROM OPERATIONS	2024/2025	2023/2024
	Kshs	Kshs
Surplus for the year before tax	5,509,488	6,682,245
Adjusted for:		
Depreciation	2,197,497	2,144,330
Working Capital Adjustments		
Increase in Inventory		- 1,970,870
Increase in Receivables	- 9,033,505	- 9,046,650
Increase in Deferred Income		
Increase in Payables	1,938,715	2,595,870
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	612,195	404,925

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

21. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

The entity 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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	9,319,416	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	18,775	-	-	-
Total	9,338,191	-	-	-
At 30 June 2025				
Receivables from exchange transactions	18,414,992	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	630,970	-	-	-
Total	19,045,962	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 entity has significant concentration of credit risk on amounts due from January 2024.

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	2,595,870	2,595,870
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	2,595,870	2,595,870
At 30 June 2025	-	-	-	-
Trade Payables	-	-	4,534,585	4,534,585
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	4,534,585	4,534,585

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(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity 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 entity'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 2025			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The entity 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.

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22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

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

24. Currency

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

**Machakos Town Technical and 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 following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1	Irregular Procurement	This was due to lack of a procurement officer in the financial year, But now the college has employed an officer	Resolved	
2	Lack of internal audit function and Audit Committee	This was due to lack of own Board of Governors, But the nominations were done and awaiting appointments	Not Resolved	1 year
3	Lack of imprest register	Committed to develop an imprest register in the next financial year i.e. 24/25	Resolved	
4	irregular recruitment	The additional trainers were posted due to request to the PS-SDTVET for additional trainers due to increase in enrolment of trainees	Resolved	

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5	Failure to authenticate academic and Professional Certificates	this was due to reliance on certified copies provided by applicants at the time of recruitment.	Resolved	
6	Lack of risk management policy, risk register, disaster recovery and business continuity plans	Available in draft form	Not Resolved	1 year
7	lack of segregation of duties in cash management	The lack of segregation of duties occurred due to limited staffing within the department, which resulted in one officer handling multiple roles, including receipting, recording, and reconciling cash transactions. This was not intentional but arose from operational constraints at the time.	Not Resolved	1 year

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Guidance Notes:

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

Timothy Kilonzo

.....
Name: Dr. Timothy Kilonzo, PhD
Principal/ Secretary BoG
Machakos Town TVC
Date :28/08/2025

THE PRINCIPAL
MACHAKOS TOWN TECHNICAL
AND VOCATIONAL COLLEGE
P. O. Box 3544-90100 MACHAKOS
Date.....28/08/2025.....

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Appendix II: Projects Implemented by (*The Entity*)

Projects

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

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity... WOTE TTI.....

Name of beneficiary entity.....MACHAKOS TOWN TVC.....

Confirmation of amounts received by Machakos Town TVC as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	23/7/2024	499,827.50		499827.5	Q4 FY 2023/2024
	12/11/2024		1,130,000	1,130,000	Training Materials
	28/06/2025	499827.50		499,827.20	Q4 FY 2024/2925
Total				2,129,655	

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

Head of Accounts Department - Disbursing Entity:

SENIOR FINANCE OFFICER
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377 - 90300, MAKUENI
Email: info@wotetti.ac.ke
Date: 28/08/25 SIGN 

NameCPA(K). JOHN KIMITI..... Sign

Date ...28/08/2025.....

Head of Accounts Department - Beneficiary Entity:

ACCOUNTANT
MACHAKOS TOWN TECHNICAL AND
VOCATIONAL COLLEGE
P. O. Box 3544-90100, MACHAKOS
Date: 28/08/25 SIGN 

NameSYLVESTER MWANGANGI..... Sign

Date.....28/08/2025.....

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments