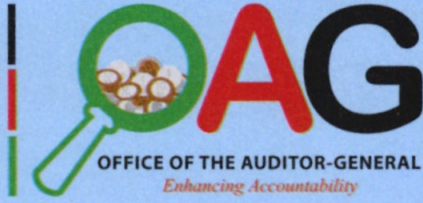


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**TETU TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 01 APR 2026

DAY.

WEDNESDAY

TABLED  
BY:

HON. DR. ROBERT RUKOSE, MP

CLERK-AT  
THE-TABLE:

CHRISTINE NDIRITU



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*TETU TECHNICAL AND VOCATIONAL COLLEGE*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

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**2. Key Tetu TVC Information and Management**

Tetu Technical & Vocational College was established from Kagwathi primary school through collaboration with the National Government and Tetu NG CDF. The College is located in Nyeri County, Tetu Sub-County, Karundu Location, Kianjogu Sub-Location and Kagwathi Village. The college was mentored by Michuki TTI and was handed over to MoE in January 2019. The college opened its doors to first group of trainees in March 2019 with 4 academic departments, a population of 89 trainees and 7 trainers.

**(a) Background information**

The college was established under the TVET Act 2013 on 2<sup>nd</sup> February 2019, it's domiciled in Kenya and has no branches. Tetu TVC is a technical and vocational college under the Ministry of Education (State department for technical and vocational college).

The trainee enrolment has since increased to 1403, 75 trainers and 8 academic departments in 2024/2025 FY. The College has also increased equity in the provision of technical & vocational training to disadvantaged groups and created gender balance on the programmes offered. Tetu TVC aims at producing trainees who are socially responsible and equipped with skills, attitude and entrepreneurial spirit necessary for the development of the country.

**(b) Principal Activities**

The main objective of TVET is to develop an effectively coordinated and harmonized TVET system that is capable of producing quality skilled human resource with the right attitudes and values required for growth and prosperity of the various sectors of the economy. Under this objective Tetu TVC is mandated to: -

1. Provide adequate and appropriate skilled Artisans, Craftsmen, Technicians and Technologists at all levels of the economy through practical training and work experience;
2. Transfer technology continuously through collaborative approach between TVET institutions and the relevant industries;
3. Promote dignity and decency of labour, particularly manual work;
4. Provide increased training opportunities for the increasing school leavers and other trainees to increase employability;
5. Provide continuous upgrading of skills and knowledge at the pace and ability of the trainees;
6. Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy;
7. Impart marketable skills, technical know-how and attitudes that respond to contemporary labour market demands by the industry, informal sector and for self-employment;
8. Build on gains acquired in prior learning by promoting and sustaining entrepreneurial and technological innovations in TVET;
9. Re-direct the potential of learners towards productive economic activities
10. Provide life skills to learners that will enable them to cope with the challenges of adulthood and working life

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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**College motto**

TVET skills for industrial growth

**Mission**

To confer holistic technical and vocational training through Research, innovation and consultancy for sustainable development

**Vision**

To be a premier technical and vocational institution for self and global development.

**(c) Key Management**

Tetu TVC's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Heads of departments
- Heads of sections

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	David M. Kariuki
2.	Deputy principal Administration	Lydia Muthoni
3	Deputy principal Academics	Joshua Mwangi
4	Registrar	Kenneth Muriuki
5	Dean of students	Charles Omweri Omambia
6	Finance Officer	Kelvin Njaungiri
7	Head of Department-computing and informatics	Ascar Jebet
8	Head of Department-building and civil engineering	Gideon Muraguri
9	Head of Department-electrical and electronics engineering	Josiah Macharia Ndonga
10	Head of Department- fashion design and cosmetology	Jane Wanjiru
11	Head of Department-hospitality and tourism	Lilly Mugo
12	Head of Department-agriculture and environmental studies	Anthony K. Kosgei
13	Head of department – mechanical engineering	Grace M. Ngigi

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

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

**Finance and operations committee activities**

- To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
- To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- To report to the Board all matters related to finance and development;
- To ensure that accurate records are kept on the establishments in the College;
- To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
- To report to the Board on the progress of physical infrastructure development of the College;
- To prepare College Development plans for an approved period and submit to the Board; and
- To exercise such other powers as the Board may from time to time delegate to the Committee.

**Academic committee activities**

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programmes
- Determination of Resources:
  - Human Resource
  - Teaching/Learning Materials

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs
- In Charge of Graduations and Academic Awards

**(f) TETU TVC's Headquarters**

P.O. Box 1716 – 10100,  
Nyeri, Kenya  
3 Km from Giakanja Shopping Center- Off Nyeri Othaya Road

**(g) Tetu TVC's Contacts**

Telephone : (+254) 758 660 300  
E-mail: tetutvc@gmail.com  
Website: www.tetutvc.ac.ke

**(h) Tetu TVC's Bankers**

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

**Other Commercial Banks**

Kenya Commercial Bank  
Murang'a Branch  
P.O. Box 112,  
Murang'a;

Kenya Commercial Bank  
Nyeri Branch  
P.O. Box 940,  
Nyeri.

Co-operative bank  
Nyeri Branch  
P.O. Box 11010,  
Nyeri.

Equity bank  
Nyeri Branch  
P.O. Box 2725  
Nyeri.

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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**(i) Independent Auditors**

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


**Key Entity Information and Management (Continued)**

**(j) Principal Legal Adviser**





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

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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**3.The Board of Governors**


<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
	 <p><b>Name:</b> Dr. Mercy W Mwaniki  <b>Profession:</b> Lecturer  <b>Academic:</b> Doctor of philosophy natural science and technology (Bioscience)            BoG Chairperson</p>	<p><b>Date of birth:</b>            15<sup>th</sup> April,1969  <b>Qualification</b>            Doctor of philosophy natural science and technology (Bioscience)            Work experience:30 years</p>
	 <p><b>Name:</b> Sebastian Chitechi Kweyu  <b>Profession:</b> Lecturer/Business Consultancy  <b>Academic:</b> MBA            Academic committee chairperson</p>	<p><b>Date of birth</b>            24/02/1973  <b>Qualification</b>            Phd candidate Kenyatta University            MBA University of Nairobi            BSC Tourism Degree Moi University  <b>Work experience</b>            20 years Lecturer Kenyatta university</p>
	 <p><b>Name:</b> Wamuyu Gathinji  <b>Profession:</b> Environment Consultant            Executive member in HR/Finance committee</p>	<p><b>Date of birth</b>            1971  <b>Qualification</b>            Msc- Environment Engineering- Ongoing            BSC Geology- University of Nairobi  <b>Work experience</b>            15 years as a consultant</p>

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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	 <p><b>Name:</b> Washington K. Gitonga  <b>Profession:</b> procurement and Portfolio officer  Hr/Finance committee chairperson</p>	<p><b>Date of birth</b>  29<sup>th</sup> October 1987  <b>Qualification</b>  Master of science in financial economics- JKUAT  CPA(K)  <b>Work experience</b>  12 years</p>
	 <p><b>Name:</b> Esther Waithira Mbuga  <b>Profession:</b> part-time lecturer  Kenyatta University  Audit and risk committee chairperson</p>	<p><b>Date of birth</b>  11<sup>th</sup> June 1957  <b>Qualification</b>  Phd(Educational management policy and curriculum studies)  Master of education  <b>Work experience</b>  30 years</p>
	 <p><b>Name:</b> Davies Kibet  <b>Profession:</b> quantity Surveyor  Executive member in HR/Finance committee</p>	<p><b>Date of birth</b>  13<sup>th</sup> April 1991  <b>Qualification</b>  Master of science in project management  Bachelor of quantity surveying  CPA(1)  <b>Work experience</b>  10 years</p>
	 <p><b>Name:</b> John Wahome Nderitu  <b>Profession:</b> Business Man  Executive member in audit and risk committee</p>	<p><b>Date of birth</b>  7<sup>th</sup> February 1971  <b>Qualification</b>  Bachelor of Business management(procurement option)  <b>Work experience</b>  25 years</p>

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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	 <p><b>Name:</b> David M. Kariuki <b>Profession:</b> Principal Tetu TVC Secretary Board of Governors</p>	<p><b>Date of birth:</b> 1<sup>st</sup> January 1973</p> <p><b>key Qualifications:</b> Masters in marketing</p> <p><b>Working experience</b> Teaching experience for 24 years</p>
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4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
	 <p>David M. Kariuki  <b>Profession</b>                      Trainer/Lecturer  <b>Academic Qualification</b>                      Bachelor degree Education                      Masters in Marketing</p>	<p>CEO/Principal/Sec BoG</p>
	 <p>Lydia Muthoni  <b>Profession</b>                      Trainer/Lecturer  <b>Academic Qualification</b>                      Bachelor of Hotel and Hospitality                      Management</p>	<p>Deputy Principal- Administration</p>
	 <p>Joshua Mwangi  <b>Profession</b>                      Trainer/Lecturer  <b>Academic Qualification</b>                      Bachelor of Science, Computer                      information systems</p>	<p>Deputy Principal- Academics</p>

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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	 <p>Kenneth Muriuki  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Bachelors of science in hospitality &amp; tourism management</p>	Registrar
	 <p>Kelvin Njaungiri  <b>Profession</b>  Finance Officer  <b>Academic Qualification</b>  Bachelors Of Commerce(Finance option) /CPA (K)</p>	Finance officer
	 <p>Jebet Ascar  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Bachelors Of Business Information Technology</p>	HoD Information Communication Technology

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	 <p>Gideon Muraguri  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Bachelors Of Technology In  Building Construction</p>	<p>HoD Building and civil engineering</p>
	 <p>Lilly Mugo  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Diploma In Technical Education  Food &amp; Beverage</p>	<p>HoD Hospitality and tourism</p>
	 <p>Josiah Macharia Ndonga  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Diploma In Electrical and  Electronics engineering</p>	<p>HoD Electrical and Electronics</p>

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	 <p>Jane Wanjiru Wangechi  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Bachelor of science in Fashion Design &amp;Textile Technology</p>	<p>HoD Fashion Design and Cosmetology</p>
	 <p>Anthony K. Kosgei  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Bachelor of science in Agricultural extension Education</p>	<p>HoD Agriculture and Environmental studies</p>
	 <p>Grace M. Ngigi  <b>Profession</b>  Trainer/Lecturer  <b>Academic Qualification</b>  Diploma in mechanical engineering(Production)</p>	<p>HoD Mechanical engineering</p>

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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	 <p>Charles Omwereri <b>Profession</b> Trainer/Lecturer <b>Academic Qualification</b> Diploma In Technical Education Food &amp; Beverage</p>	Dean of students
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## **5. Chairman's Statement**



Tetu Technical & Vocational College was established from Kagwathi Primary School through collaboration with the National Government and Tetu NG-CDF. The College is located within Nyeri County, Tetu Sub County, Karundu Location, Kianjogu Sub-Location in Kagwathi Village.

The College opened its doors for the first group of students in March 2019 and by 30th June 2019 the population had increased to 89 students. The progress was made possible by support of the Government of Kenya, the mentoring institution (Michuki Technical and Training Institute) and the local community.

The College has been implementing the Strategic Plan for year 2023-2027 which was developed through a process of wide consultations with key stakeholders including the College management team, Heads of Academic and administrative departments and by support of expatriates from Ministry of Finance -State Department for Economic Planning and Development. The plan captures Tetu TVC's strategic objectives while taking cognizance and harmonizing with the MoE and TVETA strategic plans from where broad strategic direction for TVET sector has been designed from.

During the Financial year 2024/2025 the college has been able to expand access to Technical & Vocational Training by increasing trainees' enrolment levels and providing requisite infrastructure and industry focused programmes. Research & innovations undertaken in the college is geared towards providing solutions to environmental, social, economic and cultural resource utilization challenges facing the country.

Tetu TVC has also increased equity in the provision of Technical & Vocational Training to disadvantaged groups and enhanced gender balance on the courses offered.

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Tetu TVC aims at producing trainees who are socially responsible and have acquired skills, attitudes and entrepreneurial spirit necessary in the development of this country as outlined in Vision 2030 and MTP IV.

The college has engaged the local community by engaging them in provision of unskilled labour and supply of locally grown food stuffs. The college has also encouraged the local community to put up hostels for accommodating the increased student population. The college in liaison with AIPCA and PCEA have put up hostels for accommodation of NYS sponsored students.

On giving back to the community, the college has been providing tree seedlings to increase the forest cover and also encouraging the community to grow avocados for economic prosperity. The College expects community involvement and industry linkages to facilitate its growth as a budding world class institution.

The college in conjunction with National government Constituency Development Fund –Tetu Constituency has progressively constructed the perimeter wall and the college gate to boost security. The fund has also been awarding bursaries to the needy students contributing to making education affordable. The brand ‘TETU’ has been amplified by the NG-CDF through donation of a 51-seater bus.

The Ministry of Education has provided a dedicated car to the college and within the year a Jitume ICT lab was commissioned with a total of 100 computers.

The County government of Nyeri has donated sports attires and continuously awarded bursaries to ensure access and the well-being of the trainees for academic excellence.

Throughout the financial year, the college has longevity as an ongoing concern.



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Dr, Mercy Mwaniki  
Chairperson-BOG

**6. Report of the Chief/Senior Principal**



Tetu Technical & Vocational College is a national government institution established under the TVET ACT 2013.

The college is constructed on a five (5) acres piece of land which was ceded from Kagwathi Primary School. The college was put up in collaboration with National Government and National Government Constituency Development Fund- Tetu constituency. The College is in Nyeri County, Tetu Sub-County, Karundu Location, Kianjogu Sub-Location, and Kagwathi Village. The college is in process of acquiring additional two (2) acres of land donated by Giakanja Coffee for its expansion and development.

**Population**

During the financial year 2024/2025, the college achieved a total population of 1,540 students, an increase from 1,035 students in the financial year 2023/2024. The students are placed in eight departments. The increment was brought about by massive marketing and sourcing of the students from NYS where in the month of January 2024, the college received a total of 68 NYS students who enrolled for year 2 in January 2025 and additional 95 in September 2024

During the year, the college has enrollment in the department and courses as tabulated below;

<b>Sn</b>	<b>Department</b>	<b>Section</b>
1.	Building and civil engineering: Level 3- level 6	Carpentry and joinery
		Plumbing
		Building Technology
		Civil engineering
		Masonry
2.	Hospitality	Food & Beverage services(Waiter)

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	Levels 3,4,5&6	Food & Beverage management
		Catering and Accommodation
3.	Electrical and Electronics engineering Levels 3,4,5&6	Electrical engineering Electrical installation
4	Computing and informatics Levels 4,5&6	Information Communication Technology (ICT) technician Office administration
5	Fashion Design Levels 3,4,5&6	Fashion and Design
6	Cosmetology	Hairdressing
		Beauty Therapy
7	Agriculture and Environmental Studies	General Agriculture Agricultural & Extension
8	Mechanical Levels 3, 4& 5	Welding and fabrication

**Strategic plan**

The College has a Strategic Plan for the period year 2023-2027 which was developed through a process of wide consultations with key stakeholders including the Board of governors and expatriates commissioned Ministry of Finance -state department for economic planning and development.

The strategic plan is aligned to guidelines for preparation of the fifth-generation strategic plans (2023-2027), government planning cycle and has taken cognize of the Kenya Vision 2030, Medium Term Plan IV, the Bottom-up Economic Transformative Agenda (BETA 2022-2027), TVET Act No. 29 of 2013 and other government policies.

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The plan captures Tetu TVC's strategic objectives for the period 2023-2027 while taking cognizance of the MoE and TVETA strategic plans from where the broad strategic TVET Sector direction has been designed.

**Access to Technical Education**

In the Financial year 2024/2025, the college has improved access to Technical & Vocational Education by increasing student enrolment levels and providing requisite infrastructure and industry focused programmes. Research & innovations undertaken in the institution is expected to help provide solutions to environmental, social, economic and cultural resource utilization challenges facing the country.

Tetu TVC has also increased equity in the provision of Technical & Vocational Training to the disadvantaged groups and enhanced gender balance across the courses offered. Tetu TVC aims at producing trainees who are socially responsible and have skills, attitudes and entrepreneurial spirit necessary in the development of the country as outlined in Vision 2030 and MTP IV where dual training has formed part of hand-on skills to the trainees. Tetu TVC has been able to enter into Memorandum of Understanding with various players in the industry where trainees have ease of access to the hand on skills and opportunities for employment.

Tetu TVC has continued to receive government support from the Ministry of Education where additional trainers were recruited by Public Service Commission hence lowering the Board employee costs.

**Training equipment**

The college has continuously been equipping the training workshops in line with the increasing number of students. The following departments have benefitted,

- Additional equipment in Fashion and design
- Additional Equipment in Building technology
- Putting up a plumbing and masonry workshop
- Additional training rooms and utilization of the available space.
- Adding up additional course in agriculture and extension

**Community outreach**

The college has involved the local community by engaging them in provision of unskilled labor and provision of locally grown food stuffs.

**TETU TECHNICAL AND VOCATIONAL COLLEGE**  
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The well-wishers of the college have significantly contributed to the growth and advancement of the skills where tertiary institutions such as Karatina University, Dedan Kimathi University and Karatina Law Courts have significantly donated resources geared towards enhancing skills for the students. Tetu Tvc on its part has been offering attachment opportunities to the higher institutions students.

The college has encouraged the local community to put up hostels for accommodating the increased student population.

On giving back to the community, the college has been providing tree seedlings to increase the forest cover whilst encouraging growing of avocados for the community economic prosperity.

The college has collaborated with the surrounding churches African Independent Pentecostal Church of Africa and Eschatology (A.I.P.C.A-Kagwathi) and Presbyterian Church of East Africa (P.C.E.A-Kagwathi) to construct hostel for the NYS students.

Finally, the College expects community involvement and industry linkages to facilitate its growth as a budding world class institution.

**National government Constituency development fund –Tetu and Nyeri Town**

The college in conjunction with the National government Constituency development fund – Tetu and Nyeri constituencies has expanded access through awarding of bursaries to needy students. In addition, the college received welding equipment worth ksh. 570,000 from the Tetu NG-CDF.

Throughout the financial year, the college has longevity as an ongoing concern.



**David M. Kariuki**

**Principal**

**7. Statement of Performance against Predetermined Objectives**

Tetu TVC has five strategic issues and objectives within current Strategic Plan for the FY 2023-FY 2027. These strategic issues are as follows:

- Issue 1: Leadership and governance
- Issue 2: Curriculum Design and Delivery
- Issue 3: Infrastructural capacity
- Issue 4: Trainees' welfare
- Issue 5: Research, Innovation and Consultancy

Tetu TVC develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2024/2025 period for its five strategic pillars, as indicated in the diagram below;

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Strategic Pillar	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Leadership and governance	To strengthen the College's capacity to deliver on its mandate.	KRA 1: Leadership and governance KRA 2: Human Resource Capacity KRA 3: Operational Efficiency KRA 4: Revenue generation KRA 5: Environmental Conservation KRA 6: Organization visibility	Develop a Board of Governor's Charter Develop and implement a strategic plan Plan and undertake annual Training for the BOG Undertake end of term Board performance evaluation Facilitate undertaking of internal and external audits Review and implement an appropriate organization structure Development and implementation of a HR policy and staff establishment Increase staffing levels Conduct staff capacity building Strengthen performance management Support staff welfare activities	The board charter is in place to govern the conduct and execution of the responsibilities by the board of governors. With the aid of the MoE, the college have increased staff population as at 30 <sup>th</sup> June 2024. The college have identified and operationalized the production units. The college have established greening champions and have participated in the county and in house greening campaigns

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				<p>Implement Management Systems                  Develop the college master plan                  Gradually undertake Process automation                  Increase the number of Income Generating Activities                  Develop and implement a Finance policy                  Implement the greening TVET strategy                  Marketing and Branding activities</p>	
2:	Curriculum Design and Delivery	To provide purposeful, deliberate, and systematic curriculum that enhances trainee learning and development.	KRA 7: Curriculum implementation KRA 8: Quality assurance KRA 9: Industrial Linkages	<p>Introduce market driven courses                  Improve access to learning materials                  Enhance assessment practices                  Integrate ICT in training and learning                  Establish a data centre                  Enhance flexible and blended learning programme                  Recognition of prior learning (RPL)</p>	<p>The college has signed several MoU's with the industries where trainees are attending dual training as basis of integrating curriculum offered in the institution.                  The office of ILO has established working schedules where trainees attend regular dual trainings.</p>

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				<p>Enforce implementation for the QA Policy Continual training for QA officers</p> <p>Strengthen industrial attachment/internship programme Conduct academic trips</p> <p>Introduce CBS dual training and certification with industry Collaboration with technical universities</p> <p>Undertake trainer's industrial exposure</p>	
3:	Infrastructural capacity	To provide and maintain adequate infrastructure development to support quality training and service delivery.	KRA 10: Physical Infrastructure development and upgrade	<p>Equip and modernize of existing infrastructure</p> <p>Enhance Transportation</p> <p>Develop new infrastructure</p> <p>Enhance security and safety in the College</p>	<p>The college has improvised training car and bus to aid in the transportation of the trainers and trainees.</p> <p>Safety signs have been imposed and fire assembly point established. The infrastructures in place have in place safety objects</p>

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4:	Trainees' welfare	To provide a safe and conducive learning environment to support trainees' growth academically, socially and emotionally.	KRA 11: Health, safety and security KRA 12: Recreational facilities KRA 13: Trainee Governance KRA 14: Affirmative action	Facilitate internal guidance and counselling activities Collaborate with local administration to curb insecurity and other vices Establish a college Sanatorium Enhance participation in recreational activities Empower trainees' leadership Development, sensitize and implementation of relevant policies	The office of the guidance and counselling is operational to sensitize the welfare of the trainees. The college has engaged security firm and imposed CCTV cameras to enhance security. The recreation and sports department is in full force to nurture talents and promote wellbeing of the trainees. Student council is operationalized to ensure there is proper link of the students and the college administration.
5:	Research, Innovation and Consultancy	To carry out research and offer consultancy in collaboration with stakeholders in the public and private sectors.	KRA 15: Science Technology and innovation KRA 16: Consultancy	Participate in national international research conferences Provide competitive grants for winning research proposals at departmental levels Development and implementation of relevant policies	The college have severally participated in the skills competitions organized by KATTI and have enticed trainees to be innovative in the fields of expertise

## 8. Corporate Governance Statement

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

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

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

### 1. College Board

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

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

The Board is actively involved and brings strong independent judgment on its deliberations and discussions. The College Board members have diverse skill set, a wide range of knowledge and experience of college setting that is applied to the formulation of strategic objectives and decision-making. The Board meets regularly and retains full and effective control over the College in all strategic, financial, operational and compliance areas. The College Board held the following full Board meetings during the 2024/2025 financial year:

Meetings held by the Board Members.

Name	Designation	Meetings Attended				Total Meeting
		12/7/2024	25/9/2024	13/1/2025	11/4/2025	
Dr Mercy Mwaniki	Chairman of Board	√	√	√	√	4
Ms Esther Mbuga	Board Member	√	√	√	√	4

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Mr Sebastian Kweyu	Board Member	√	√	√	√	4
Mr John Nderitu	Board Member	-	-	√	√	2
Ms Wamuyu Gathinji	Board Member	√	√	√	√	4
Mr Washington Gitonga	Board Member	√	√	√	√	4
Mr Davies Kibet	Board Member	√	√	√	√	4
Charles Nyota	county director TVET	√	√	-	√	3
Mr David M. Kariuki	Secretary of Board/principal	√	√	√	√	4
	<b>Attendance rate</b>	<b>87.5%</b>	<b>87.5%</b>	<b>87.5%</b>	<b>100%</b>	

**BOARD COMMITTEES**

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

**1. FINANCE, HR, PLANNING AND DEVELOPMENT COMMITTEE**

**Membership**

<b>S no</b>	<b>Name</b>	<b>Designation</b>
1	Mr Washington Gitonga	Chairperson
2	Ms Wamuyu Gathinji	Board Member
3	Mr Davies Kibet	Board Member
4	Mr David M. Kariuki	Secretary

**Responsibilities:**

1. To receive, consider and submit the proposed budget estimates from the various college department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;
4. To ensure that accurate records are kept on the establishments in the College;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the College;
6. To report to the Board on the progress of physical infrastructure development of the College;
7. To prepare College Development plans for an approved period and submit to the Board; and

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8. To exercise such other powers as the Board may from time to time delegate to the Committee.

Meetings held by the Board committee:

Name	Designation	No. of Meetings	Meetings attended
Mr Washington Gitonga	Chairperson	4	100%
Ms Wamuyu Gathinji	Board Member	4	100%
Mr Davies Kibet	Board Member	3	75%
Mr David M. Kariuki	Secretary	4	100%

**2. AUDIT AND RISK COMMITTEE**

**Membership**

S no	Name	Designation
1	Ms Esther Mbuga	Committee Chair
2	Internal Auditor	Committee Secretary
3	Mr John Nderitu	Member
4	Ms Wamuyu Gathinji	Member

**Responsibilities:**

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

Meetings held by the Board committee

Name	Designation	No. of Meetings	Meetings attended
Ms Esther Mbuga	Chairperson	2	100%
Mr John Nderitu	Board Member	2	100%
Ms Wamuyu Gathinji	Board Member	2	100%

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**3. ACADEMIC COMMITTEE**

**Membership**

<b>S no</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Sebastian Kweyu	Committee Chair
2	Mr Davies Kibet	Member
3	Mr David M. Kariuki	Secretary of Board

**Responsibilities:**

- i) To Oversee academic performance of the college
- ii) To formulate guidelines rules and regulations of all academic affairs
- iii) Working with the Principal to implement academic policies in the school

Meetings held by the Board committee

<b>Name</b>	<b>Designation</b>	<b>No. of Meetings</b>	<b>Meetings attended</b>
Mr. Sebastian Kweyu	Chairperson	2	100%
Ms Esther Mbuga	Board Member	2	100%
Mr John N. Wahome	Board Member	2	100%
Mr David M. Kariuki	Secretary	2	100%

**2. Board Members' Remuneration**

Sitting allowance for Board members and Chairman Honorarium are guided by circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November 2004. The remuneration for Board members consists of sitting and subsistence allowances in connection with Board & Board committee and Chairman's honorarium the financial year ended 30<sup>th</sup> June, 2022 are outlined under Note 11 on page 23 of these Financial Report and Financial Statements (Board expenses).

**3. Succession Plan**

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

**4. Board Charter**

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

**5. Appointment and removal of Board members**

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

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**6. Induction and Training**

Tetu TVC Board of governors are inducted on periodical bases however, in the 2022/2023 financial one training was done to the newly appointed Board to resume the second term of the term since the inception of the college.

**7. Board and Board Members' Performance**

The Board performance evaluation exercise was done in January, 2023.

**8. Conflict of interest**

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

**9. Ethics and Conduct**

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

**10. Governance Audit**

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

**11. Internal Controls**

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

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

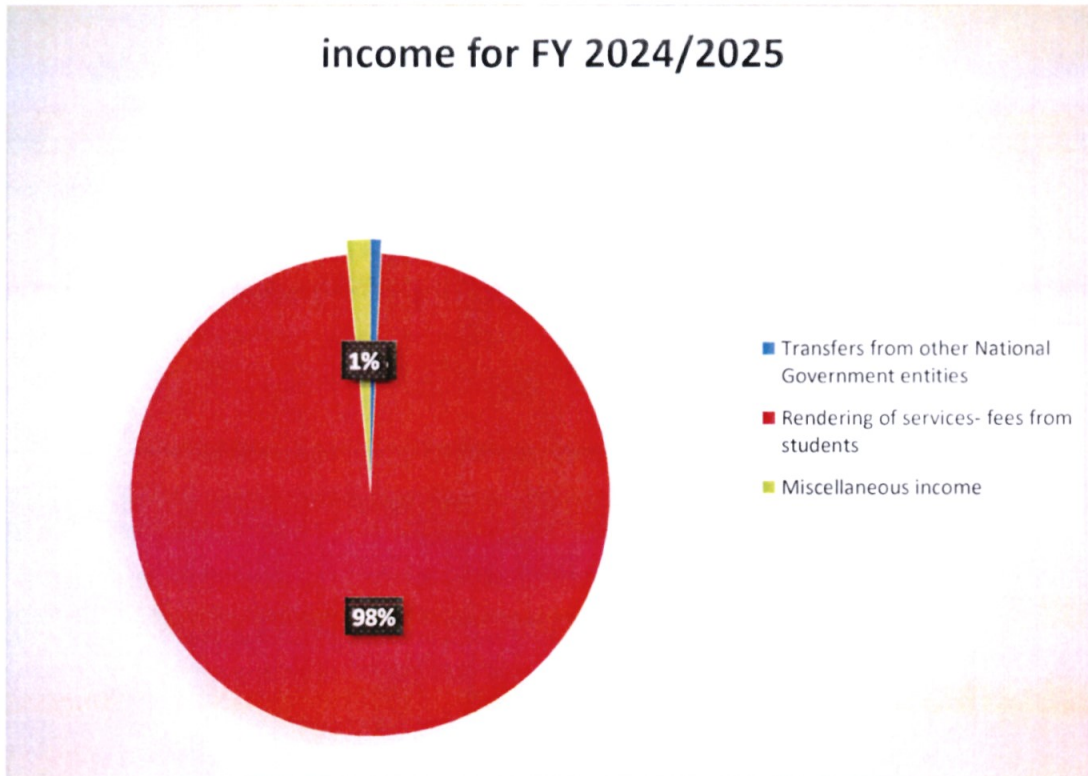
**12. Going Concern**

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

**9. Management Discussion and Analysis**

**OPERATIONAL AND FINANCIAL PERFORMANCE**

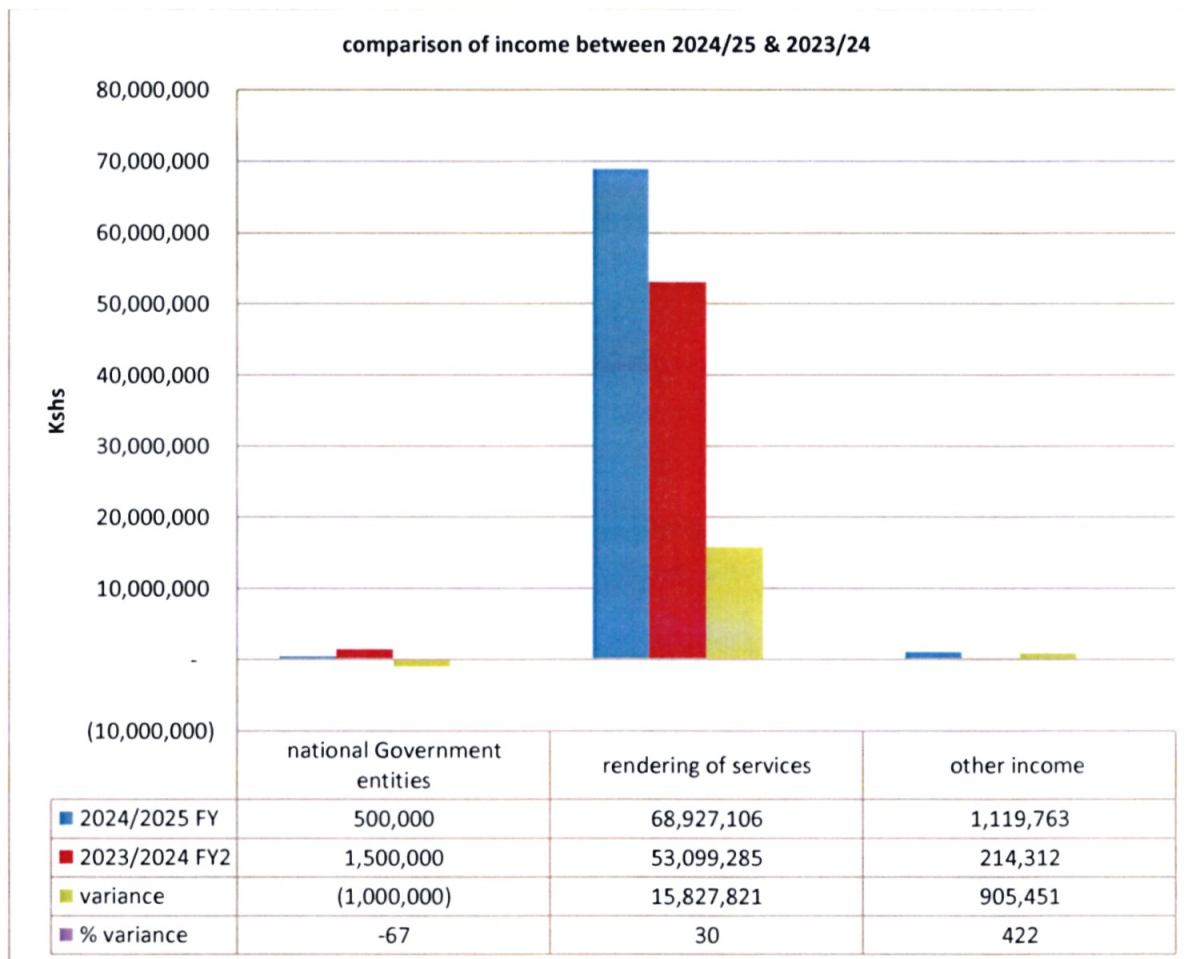
**A) INCOME ANALYSIS:**



During the 2024/2025 financial year, National Government and miscellaneous income contributed to 1% each while fees from the students contributed to 98% of the total expected income. The College mostly depended on fees from the trainees who raised the amounts from self- sponsorship and sourcing of bursary, sponsorships, scholarships, capitation, NYS Funding and HELB to execute its operations.

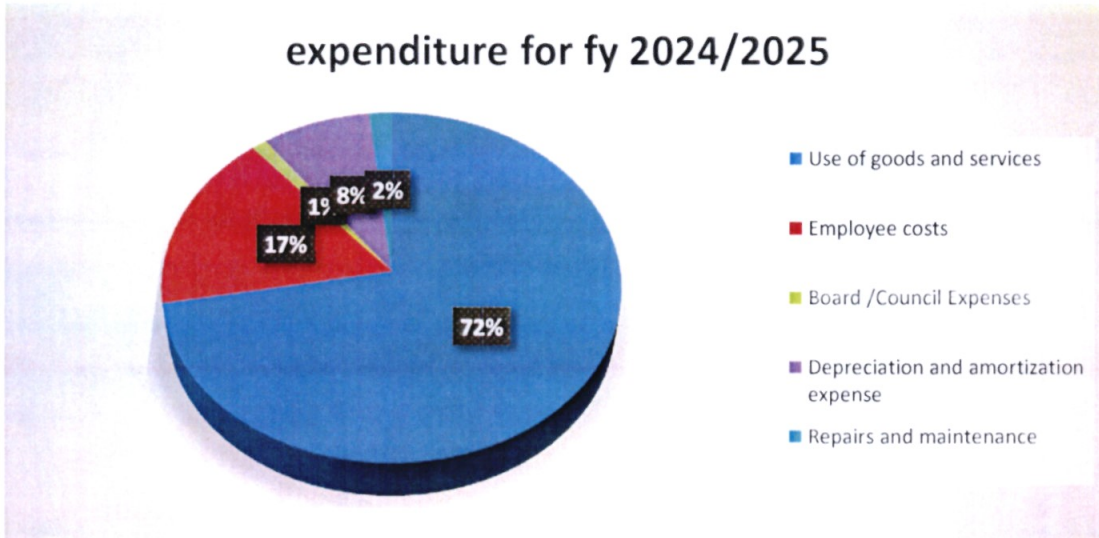
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**Comparison of Income between 2024/25 and 2023/2024**



There was an increase of incomes in 2024/2025 financial year compared to 2023/2024 financial year in rendering of services and other income increased as a result of vigorous marketing of the college services where the high population of the college led to more financing from the scholarships, Helb Loans and even sponsorships From MoE. Other incomes arose from the farming activities and execution of the production units especially in the hospitality department. The variation in the rendering of services arose out of reclassifying capitation and scholarship to fees received from the students. There was a decline in the amounts from the national government in form of grants due to the college exceeding the student population of 500 trainees in the FY 2024-2025.

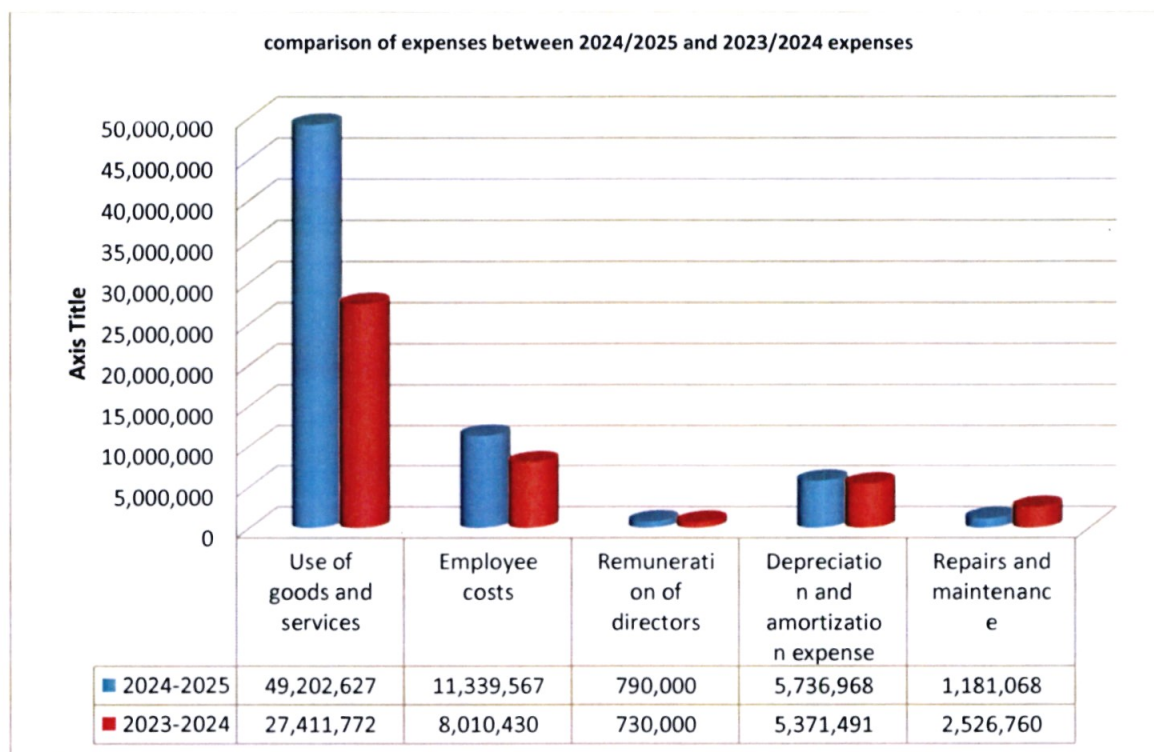
B) EXPENDITURE ANALYSIS



During the 2024/2025 financial year, employee cost which is committed expenditure item of ksh. 11,339,567 took the second highest amount of recurrent expenditure with 17%. Use of goods and services which include college core mandate operations formed 72 % with the board expense, depreciation expense and repairs and maintenance taking 8%, 2%, and 1% respectively of the total recurrent expenses of Kshs. 68,250,230.

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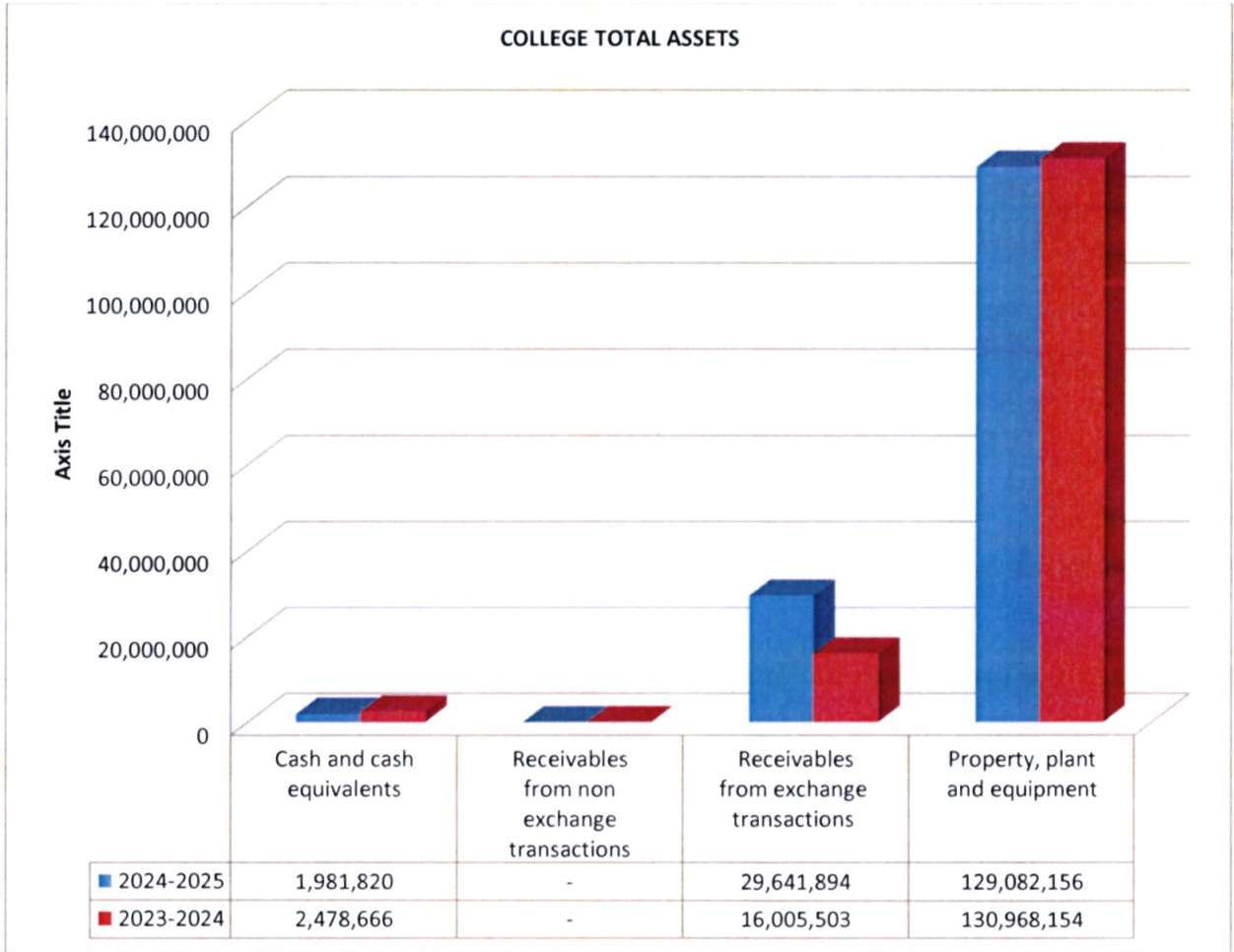
**1. Comparison of Expenses between 2024/2025 and 2023/2024**



In the financial year 2024/2025 all the expenses except repairs and maintenance had substantial increase with the use of goods and services increasing almost twice the value in the year 2023/2024. Employee costs rose by ksh 3,329,137 while directors' remuneration and depreciation expenses had slight growth. Repairs and maintenance fell by more the 100% due to limitations of the directives in the budget.

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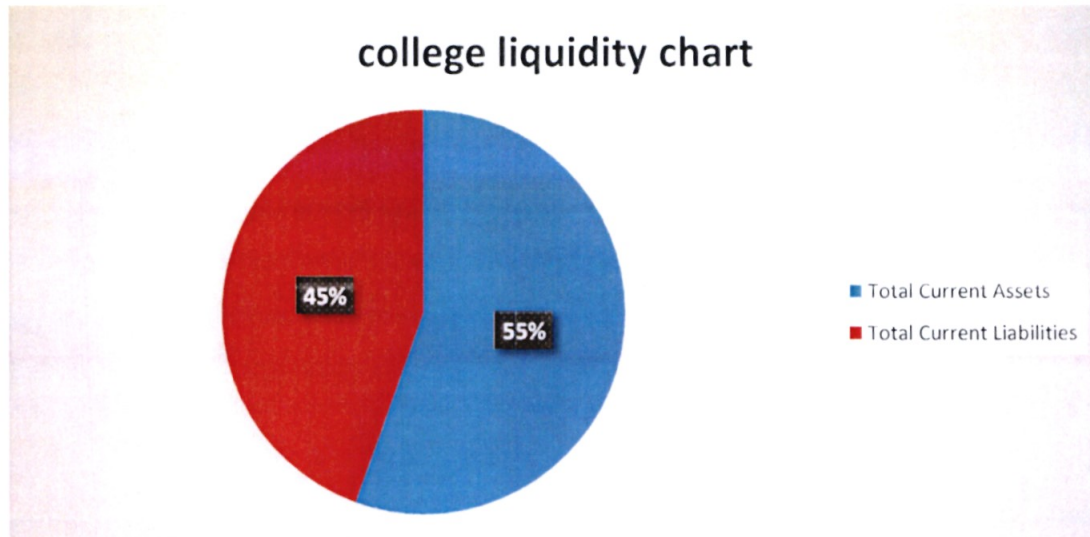
**C) STATEMENT OF THE FINANCIAL POSITION**



The college statement of financial position included Net book value of the fixed assets Kshs. 129,082,156 some of which were revalued at the end of the financial year 2020/2021 and some acquired in the financial year 2024/2025. The increase in receivable from revenue from exchange transactions is a result of the population growth of trainees who had pending scholarships from MoE while others are NYS sponsored and funds had not been released by the close of financial year 2024/2025.

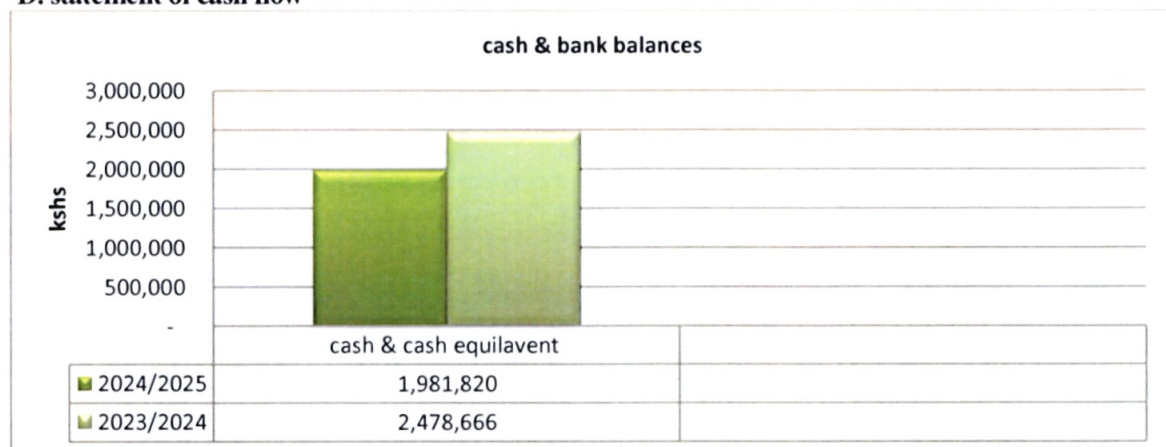
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**Current assets Vs current liabilities**



The College closed the financial year with current assets of Kshs. 32,911,598 which is higher than the current liabilities of Kshs. 26,390,899. This implies that the liquidity of the College is favorable as at the end of the 2024/2025 financial year as the high portion of the outstanding payable are anticipated to fall due when the arrears from the trainees and the scholarships will have been honored.

**D. statement of cash flow**



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The College closed the financial year 2024/2025 with cash and cash equivalent of Kshs. 1,981,820 as compared to the Kshs. 2,478,666 in the 2023/2024 financial year. This decrease in cash and bank balance can be attributed to low funding expected from the government and the NYS.

**PROJECTS AND INVESTMENT DECISIONS PLANNED AND IMPLEMENTED**

Within the financial year ended 30<sup>th</sup> June 2024, the College has been implementing the following projects in order of priority;

S/No	Project	% of Completion	Financing of the project	Remarks
1	Prefab lecture shed for Masonry department and Pit Latrine	100	Tetu TVC	Complete
2	Installation of CCTV Cameras in the college	100	Tetu TVC	complete
3	Provision of welding machines	100	Tetu NG-CDF	Complete

Funding for the projects was based on saving realized on cost cutting measures on recurrent expenditures as the Government stopped funding capital development.

**COMPLIANCE WITH STATUTORY REQUIREMENTS**

During the 2023/2024 financial year, the College complied with all statutory requirements. The Institution does not have any non-compliance that may result to any potential litigation issues or exposure to contingent liabilities.

**MAJOR RISKS**

**OPERATIONAL RISKS**

This is loss resulting from inadequate or failed procedures, systems or policies including:

- 1) Failure to collect the full income owing
- 2) Some students fail to pay their full fees
- 3) Some debtors from non-tuition activities delay paying for services rendered.
- 4) The College is facing the risk of insecurity which is prevalent in the country

**Risk Mitigation Strategies**

- 1) Strict enforcement of the fees payment policy
- 2) Enhancing debt collection measures
- 3) Enforcement of the 100% payment on admission or on reporting back in new term
- 4) Installation of CCTV security systems and outsourcing more security guards

**MARKET RISKS**

These are losses due to factors that affect the overall performance of market including:

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- 1) Risk of not attracting enough trainees due to the competition from other TVET colleges in the region
- 2) Risk of failing to get enough specialist trainers to act as thematic leaders due to competition.

**Risk Mitigation strategies:**

- i. Aggressive marketing of programmes.
- ii. Enhance the diversity and quality of the College programmes.
- iii. Enhancing the staff working environment and improving staff welfare.

**CAPITAL RISKS**

The College is not exposed to any capital risks.

**LIQUIDITY RISK**

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

**Risk Mitigation strategies:**

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

**MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS**

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

**FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES**

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

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

## **10. Environmental and Sustainability Reporting Statement**

### **Sustainability strategy and profile**

**Innovation and technology-** the college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

**Collaboration** – the college maintained a Good cooperation and active collaboration with various business partners which included suppliers, TVET institutions, universities and others working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through conferences

**Knowledge management** – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

**Processes-** Clear processes and roles are define so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

**Purchase-** the college had a good Relationship with suppliers focusing also on sustainability.

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

### **Environmental performance**

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

### **Ecological Dimension of Corporate Sustainability**

This dimension deals with environmental impacts due to corporate activities. There exist several publications about the most relevant ecological aspects (GRI, 2006; Labuschagne et al., 2005;

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DJSI, 2007; FTSE, 2006). These environmental impacts are caused by resource use, and emissions into air, into water or into ground, as well as waste and hazardous waste. Additionally, the impact on biodiversity and environmental issues of the product over the life cycle are of importance. This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

**Corporate Sustainability Strategies**

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

**Emissions into the air-**

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

**Employee welfare**

**Corporate governance-** Transparency in all its activities in order to ameliorate relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and mandates of the board.

**Staff Motivation and incentives** – this is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

**Health and safety** – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported.

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The college has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

**Human capital development** - Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability.

**Market place practices-**

**a) Responsible competition practice.**

The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence.

**b) Responsible Supply chain and supplier relations-**

The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month, and this has created a good rapport with her suppliers and service providers.

**c) Responsible marketing and advertisement**

The college carries out normal marketing through media and organized talks.

**d) Product stewardship.**

Trainees trained in Tetu Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Tetu Technical and Vocational College is committed to offering the best and top-quality training.

**Corporate Social Responsibility / Community Engagements**

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

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**(a) Charitable Activities**

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

**(b) Communities outreach activities**

Tetu TVC in conjunction with Wamagana health centre organised for a sensational awareness programmes at the college grounds where the community and the trainees were invited for well-being talk and good feeding programmes. This was a sign that the College is moving towards fulfilling its core mandate of community service. A college worth its name must benefit the community and not only improve its economic activities but also uplift the health and the well-being of people around it to attain the country's Universal Health. Universal Health Coverage (UHC) concept is firmly based on WHO constitution of 1948 declaring health a fundamental Human right. This is equally in line with the Constitution of Kenya 2010 that confers on every Citizen Highest attainable standards of Health Including Reproductive Health. Former President H.E Uhuru Kenyatta reaffirmed the objective of Kenyan constitution through the Big Four Agenda where Affordable Health Care is a pillar. UHC should be every body's business and a multi-sectorial approach is the way to go in the realization of this concept of Health care delivery.

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

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**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 *Tetu TVC*'s affairs.

**Principal activities**

The principal activities of the Tetu TVC are (continue to be) offering of technical and vocational training.

**Results**

The results of the entity for the year ended 30<sup>th</sup> June 2025 are set out on page 1.


**Council/Board of Governors**

The members of the Board /Council who served during the year are shown on page iii. During the year 2022, the first team of the Board of directors retired and the second team of the Board of Directors was appointed with effect from January 2023.

**Auditors**

The Auditor General is responsible for the statutory audit of the *Tetu TVC* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The office of the auditor General is expected to carry out the audit of the *Tetu TVC* for the financial year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board

  
.....  
**Secretary of the Board/Council**  
Nairobi  
Date: 27/08/2025.

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

The Council members are responsible for the preparation and presentation of the *Tetu TVC's* financial statements, which give a true and fair view of the state of affairs of the *Tetu 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 *Tetu TVC*,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets of the *Tetu 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 the *Tetu TVC's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *TVET Act 2015*. The council members are of the opinion that the *Tetu TVC's* financial statements give a true and fair view of the state of *Tetu TVC's* transactions during the financial year ended June 30, 2025, and of the *Tetu TVC's* financial position as at that date. The Council members further confirm the completeness of the

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

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accounting records maintained for the *Tetu TVC*, which have been relied upon in the preparation of the *Tetu TVC*'s financial statements as well as the adequacy of the systems of internal financial control.

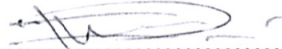
In preparing the financial statements, the Principal has assessed the *Tetu TVC*'s ability to continue as a going concern *and* nothing has come to the attention of the Council members to indicate that the *Tetu TVC* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The *Tetu TVC*'s financial statements were approved by the Board on 27<sup>th</sup> August 2025 and signed on its behalf by:



.....  
**Name: Dr. Mercy Mwaniki**  
**Chairperson of the Board/Council**



.....  
**Name: David M. Kariuki**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON TETU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

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

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 Tetu Technical and Vocational College set out on pages 1 to 33, which comprise of the statement of financial position

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*Report of the Auditor-General on Tetu Technical and Vocational College for year ended 30 June, 2025*

as at 30 June, 2025 and 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tetu Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Land Without Title Deed**

The statement of financial position reflects property, plant and equipment balance of Kshs.129,082,156, out of which Kshs.15,000,000 relates to land, as disclosed in Note 17 to the financial statements. However, Management did not provide for audit review the original title deed or a certified copy from the Land Registry for this parcel of land.

In the circumstances, ownership and valuation of the land balance of Kshs.15,000,000 could not be confirmed.

#### **2. Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.29,641,894, out of which Kshs.16,362,642 has been outstanding for more than one (1) year. No adequate assessment or documentation was provided to confirm the recoverability of these long-outstanding balances.

In the circumstance, the recoverability of the receivables from exchange transactions totaling Kshs.16,362,642 could not be confirmed.

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

## Emphasis of Matter

### Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Ksh.68,747,095 and Kshs.70,546,869 respectively, resulting in over collection of revenue by Kshs.1,799,774 or 3% of the budget. Similarly, the College spent Kshs.62,513,262 against actual receipts of Kshs.70,546,869 resulting to an under-utilization of Kshs.8,033,607 or 11% of the receipts.

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

My opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified opinion section, I have determined that there are no other key audit matters to communicate in my report.

### Other Matter

#### Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, the Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in 2024/2025 revealed that the following six (6) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Trade and Other Receivables
2	2023/2024	Inaccuracies in Property, Plant and Equipment
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Engagement of Unregistered and Unlicensed Traders
5	2023/2024	Lack of Human Resource Unit and Unimplemented Staff Establishment
6	2023/2024	Failure to Tag Assets

### Other Information

The Management is responsible for the Other Information set out on page iii to xlvii which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief/Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance

Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council/ Board of Governors, Statement of Board of Governors/Council's 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 the Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for conclusion**

#### **1. Long- Outstanding Trade and Other Payables**

The statement of financial position reflects trade and other payables amounting to Kshs.14,162,277, out of which Kshs.513,390 had been outstanding for more than one (1) year contrary to Regulation 150 of the Public Procurement and Asset Disposal Regulations, 2020 which requires accounting officers to make payment within sixty days from the date of receipt of the invoice.

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

#### **2. Non-Staggering of Board Tenure**

It was noted that the Chairperson and five (5) Board members of the current Board were all appointed with effect from 18 January, 2023 implying that their terms will expire on the same date, contrary to the Section 1.14 of the Mwongozo Code of Governance which requires Board that tenures of Board members be staggered to ensure a phased transition.

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

### **3. Non-Compliance with Audit Committee's Members Qualification**

Audit review of the Audit and Risk Committee members' profiles and qualifications revealed that none of the members possessed demonstrable qualifications or expertise in audit, financial management or accounting. This is contrary to Section 3.4(2)(b) of Mwongozo Code of Governance and Section 4.1(b) of Gazette Notice No. 2691 of 15 April, 2016 which require at least one (1) Audit Committee member have relevant qualifications and expertise in audit, financial management, or accounting with experience and knowledge in risk management and is a member of a professional body in good standing.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Failure to Automate Payroll System**

The statement of financial performance reflects employee costs amounting to Kshs.10,104,506, as disclosed in Note 10 to the financial statement. However, the audit established that the college lacks an automated payroll system and still depends on spreadsheet application (Microsoft Excel). This practice constitutes a significant weakness in the internal control environment, thereby compromising segregation of duties and access controls, as the payroll file lacks granular access permissions, creating the potential for a single individual to initiate, calculate, and finalize payroll adjustments without independent system-enforced review.

In these circumstances, effectiveness of the internal controls on the payroll system could not be confirmed.

## **2. Understaffing at the College**

Audit examination revealed that the College had an approved staff establishment of two hundred and twenty-five (225) teaching and non-academic staff. However, only ninety-two (92) staff were in post resulting in an under-staffing of one hundred and thirty-three (133) positions.

In these circumstances, the under-staffing may have affected the effectiveness of the College teaching operations.

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

### **Responsibilities of the Management and Board of Governors**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**19 December, 2025**

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

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

	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	500,000	1,500,000
		<b>500,000</b>	<b>1,500,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	68,927,106	53,099,285
Miscellaneous income	8	1,119,763	214,312
<b>Revenue from Exchange transactions</b>		<b>70,046,869</b>	<b>53,313,597</b>
<b>Total Revenue</b>		<b>70,546,869</b>	<b>54,813,597</b>
<b>Expenses</b>			
Use of goods and services	9	49,202,627	27,411,772
Employee costs	10	11,339,567	8,010,430
Board /Council Expenses	11	790,000	730,000
Depreciation and amortization expense	12	5,736,968	5,371,491
Repairs and maintenance	13	1,181,068	2,526,760
<b>Total Expenses</b>		<b>68,250,230</b>	<b>44,050,453</b>
<b>Net surplus/(deficit) for the year</b>		<b>2,296,639</b>	<b>10,763,144</b>

*(The notes set out on pages 6 to 35 form an integral part of the Annual Financial Statements).*

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....

**Chairman of Council/Board**

Date 27/08/2025

  
 .....

**Principal**

Date 27/08/2025

  
 .....

**Finance Officer**

ICPAK No 25452

Date 27<sup>th</sup> Aug 2025


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

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

Description	Notes	FY	FY
		2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	1,981,820	2,478,666
Current portion of receivables from exchange transactions	15	29,641,894	16,005,503
inventories	16	1,287,884	
<b>Total Current Assets</b>		<b>32,911,598</b>	<b>18,484,169</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	17	129,082,156	130,968,154
<b>Total Non-Current Assets</b>		<b>129,082,156</b>	<b>130,968,154</b>
<b>Total Assets (A)</b>		<b>161,993,754</b>	<b>149,452,323</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	18	14,162,277	12,720,258
Fees Received in Advance	19	12,228,622	7,753,712
<b>Total Current Liabilities</b>		<b>26,390,899</b>	<b>20,473,970</b>
<b>Total Liabilities (B)</b>		<b>26,390,899</b>	<b>20,473,970</b>
<b>Net Assets (A-B)</b>		<b>135,602,855</b>	<b>128,978,353</b>
<b>Represented By:</b>			
Revaluation Reserves		39,781,700	39,781,700
Accumulated Surplus		18,371,239	14,839,939
Capital Fund		77,449,916	74,356,714
<b>Total Net Assets and Liabilities</b>		<b>135,602,855</b>	<b>128,978,353</b>

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....  
**Chairman of Council/Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**

Date 27/08/2025

Date 27/08/2025

ICPAK No 25452  
 Date 27<sup>th</sup> Aug 2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	<b>39,781,700</b>	<b>4,076,794</b>	<b>68,295,798</b>	<b>112,154,292</b>
Revaluation gain	-	-	16,824,061	16,824,061
Surplus/(deficit) for the year	-	10,763,145	-10,763,145	0
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained Earnings	-	-	-	-
<b>At June 30, 2024</b>	<b>39,781,700</b>	<b>14,839,939</b>	<b>74,356,714</b>	<b>128,978,353</b>
<b>At July 1, 2024</b>	<b>39,781,700</b>	<b>14,839,939</b>	<b>74,356,714</b>	<b>128,978,353</b>
Revaluation gain	-	-	3,850,970	3,850,970
Surplus/(deficit) for the year	-	3,531,300	-757,768	2,773,532
Capital grants received during the year	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	<b>39,781,700</b>	<b>18,371,239</b>	<b>77,449,916</b>	<b>135,602,855</b>

**Note:**

1. Revaluation gain is as a result of the assets acquired and reclassified following the guidance of the office of auditor general

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

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

Description	Notes	FY	FY
		2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
Receipts			
Transfers from other National Government entities		500,000	1,500,000
Rendering of services- fees from students		56,230,261	43,312,812
Miscellaneous income		1,119,763	214,312
<b>Total Receipts</b>		<b>57,850,024</b>	<b>45,027,124</b>
<b>Payments</b>			
Use of goods and services		41,185,265	29,143,309
Employee costs		11,339,567	8,010,430
Board /Council Expenses		790,000	730,000
Repairs and maintenance		1,181,068	2,706,180
<b>Total Payments</b>		<b>54,495,900</b>	<b>40,589,919</b>
<b>Net Cash Flows from operating activities</b>	20	<b>3,354,124</b>	<b>4,437,205</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-3,850,970	-2,690,465
building shed			
<b>Net cash flows used in investing activities</b>		<b>-3,850,970</b>	<b>-2,690,465</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		-	-
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>-496,846</b>	<b>1,746,740</b>
Cash and Cash equivalents at 1 JULY 2024	14	2,478,666	731,926
<b>Cash and Cash equivalents at 30 JUNE 2025</b>	14	<b>1,981,820</b>	<b>2,478,666</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c*100</b>
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other National Government entities	0	500,000	500,000	500,000	0	100
Rendering of services- fees from students	60,097,095	7,000,000	67,097,095	68,927,106	-1,830,011	103
Miscellaneous Income	1,342,000	-192,000	1,150,000	1,119,763	30,237	97
<b>Total Income</b>	<b>61,439,095</b>	<b>7,308,000</b>	<b>68,747,095</b>	<b>70,546,869</b>		<b>103</b>
<b>Expenses</b>						
Use of goods and services	52,774,095	3,509,000	56,283,095	49,202,627	7,080,468	87
Employee costs	4,958,400	5,531,600	10,490,000	11,339,567	-849,567	108
Board /Council Expenses	1,865,600	-1,073,600	792,000	790,000	2,000	100
Repairs and maintenance	1,841,000	-659,000	1,182,000	1,181,068	932	100
<b>Total Expenditure</b>	<b>61,439,095</b>	<b>7,308,000</b>	<b>68,747,095</b>	<b>62,513,262</b>	<b>6,233,833</b>	<b>91</b>
<b>Surplus For the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,033,607</b>		
<b>Capital Expenditure</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>5,736,968</b>		

**Budget notes**

1. Use of goods and services was under-utilized by 13% due to the delayed provision of funding from the government to enable full utilization of the budgeted amounts.
2. The changes between the original and final budget arose out of the reallocation of the budget amounts to the vote-heads where with the growth of the students' population, it necessitated slight increase of the budget.

**19. Notes to the Financial Statements**

**1. General Information**

Tetu Technical and vocational college is established by and derives its authority and accountability from TVET Act of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer of technical and vocational training.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 *Tetu TVC*'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 17.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Tetu TVC*. 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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30<sup>th</sup> June 2025.*

There are four new standards in the year ended 30th June 2025( IPSAS 43, 44, 45 and 46)

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>

**iii. Early adoption of standards**

Tetu TVC did not early adopt any new or amended standards in year 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**

Tetu TVC 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.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on *12<sup>th</sup> July 2024*. 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. Tetu TVC'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 financial performance has been presented on page 4 of these financial statements.

**c) 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. 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.

**d) 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, Tetu TVC 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.

**e) 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.

**f) 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.

**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.

**g) 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***

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

***Contingent assets***

Tetu TVC does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Tetu TVC 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.

**h) 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.

**i) Nature and purpose of reserves**

Tetu TVC creates and maintains reserves in terms of specific requirements. The college maintains revaluation, retained and capital reserves which forms part of the total funds of the college.

**j) Changes in accounting policies and estimates**

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

**k) Employee benefits**

**Retirement benefit plans**

Tetu TVC 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.

**l) Foreign currency transactions**

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

**m) 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.

**n) Related parties**

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

**o) Service concession arrangements**

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

**p) 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.

**q) Comparative figures**

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

**r) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024

**s) 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

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nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of Tetu TVC 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 Tetu TVC.
- 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

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**6. Transfers from other National Government entities**

Description	FY	FY
	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	0	0
Operational Grant	500,000	1,500,000
<b>Total unconditional Grants</b>	<b>500,000</b>	<b>1,500,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
HELB Grants	-	-
SPONSORSHIP Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>500,000</b>	<b>1,500,000</b>

**7. Rendering of Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition	16,435,725	32,047,534
Administration	7,266,130	11,692,979
Practical	6,014,702	192,701
Capacity Building Development	496,424	37,940
P. Emolument	8,526,433	1,769,368
Casuals	169,313	166,313
Local Transport & Travelling	3,155,823	489,671
Repair Maintenance & improvement	2,126,393	303,419
Electricity water & conservancy	3,972,248	711,594
Activity	2,221,794	415,754
Student Welfare	391,275	113,775
Insurance	501,519	199,072
Kenya National Examination Council	1,674,670	588,901
National Industrial Training Authority	439,650	209,087
TVET/CDACC	2,257,300	0
Gratuity	42,875	29,978
Attachment and dual training	1,356,325	156,970
College Identity Card	370,150	62,729
Bursary	0	3,911,500
ict infrastructure	318,000	0
KUCCPS reg.	991,165	0
admission reg.	260,750	0
TVETA Reg.	260,750	
Meals and accommodation Revenue for NYS Trainees	9,677,693	
<b>Total revenue from the rendering of services</b>	<b>68,927,106</b>	<b>53,099,285</b>

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**8. Miscellaneous Income**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Sale of tender documents	3,000	14,000
Farm income	118,815	29,478
Computer packages	45,000	21,000
admission requirement	107,825	147,239
Replacements	39708	800
College T-Shirts	543,745	1,795
hospitality dept sales and services	148,220	0
fashion design sales	14,950	0
cosmetology dept. services	4,000	0
welding dept. sales- fabricated window	3,500	0
bus hire services	91,000	0
<b>Total other income</b>	<b>1,119,763</b>	<b>214,312</b>

**9. Use of Goods and Services**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Training Equipment	1,676,010	475,970
Training Materials	6,335,266	3,960,093
Kenya National Examination Council	2,697,520	1,034,313
National Industrial Training Authority	920,950	367,468
TVET/CDACC Exam fee	3,359,000	0
Attachment and Dual Training	602,057	313,093
Sports	983,735	678,258
Admin, bank charges and postal rental Expenses	2,654,802	1,297,472
Hospitality	1,015,130	985,919
Internet	625,750	515,606
Electricity	771,853	669,773
Water & Conservancy	143,330	51,767
Stationery/Photocopies	2,147,701	566,260
Transport	1,157,951	933,731
Marketing	801,520	1,649,938
Subsistence Allowance	7,664,849	6,952,465
Local Travelling & Transport	274,300	123,434
S/Welfare	1,010,035	910,479
Subscription to KATTI	496,150	849,760
Subscription to KUCCPS	760,475	73,738
Subscription to TVET Activities	1,108,100	1,103,408
Farm Activities	128,622	161,761
Bakery	359,960	452,703
Performance Contracting (PC)	172,400	138,000
Security	928,800	470,000
CAPACITY BUILDING	207,640	330,560
Insurance Cover	367,224	146,777
NYS Materials	9,262,977	2,199,026
Refunds	568,520	0
<b>Total good and services</b>	<b>49,202,627</b>	<b>27,411,772</b>

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**10. Employee Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
P. emoluments	7,743,035	5,238,236
Part-Time Trainer	187,000	310,250
Casuals	700,332	581,277
NSSF	885,698	577,602
NHIF	325,875	178,850
PAYE	407,267	518,558
HELB Deductions	161,853	53,657
Salary advance	428,500	552,000
Employees Sacco Ded.	500,007	0
<b>Employee Costs</b>	<b>11,339,567</b>	<b>8,010,430</b>

**11. Board/Council Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	71,000	51,000
Directors Emoluments	719,000	679,000
Other Allowances	0	0
Other Board/Council Expenses	0	0
<b>Total</b>	<b>790,000</b>	<b>730,000</b>

**12. Depreciation and Amortization expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Buildings	1,678,114	1,665,156
Computer & ict infrastructure	356,175	1,134,818
Furniture & fittings	1,063,620	1,443,877
Plant, machinery & equipment	1,683,559	627,639
Motor vehicles	955,500	500,000
<b>Total depreciation and amortization</b>	<b>5,736,968</b>	<b>5,371,490</b>

**13. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	1,181,068	2,526,760
<b>Total Repairs and Maintenance</b>	<b>1,181,068</b>	<b>2,526,760</b>

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14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,981,019	2,473,903
Cash	801	4,763
<b>Total Cash and Cash Equivalents</b>	<b><u>1,981,820</u></b>	<b><u>2,478,666</u></b>

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1259486818	207,438	2,418,727
Kenya Commercial Bank	1298143977	1,519,905	19,128
Co-operative Bank	1100923589001	242,776	36,048
Equity Bank	0110286157897	450	0
Equity Bank	0110286158134	10,450	0
<b>Sub- Total</b>		<b><u>1,981,019</u></b>	<b><u>2,473,903</u></b>
<b>b) Others(Specify)</b>			
Cash in Hand		801	4,763
<b>Sub- Total</b>		<b><u>801</u></b>	<b><u>4,763</u></b>
<b>Grand Total</b>		<b><u>1,981,820</u></b>	<b><u>2,478,666</u></b>

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	29,641,894	16,005,503
<b>Total Current Receivables</b>	<b>29,641,894</b>	<b>16,005,503</b>

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Amount (KSH.)	% of the total	Amount (KSH.)	% of the total
0 – 90 days	1,477,792	5	2,881,117	18
91- 180 days	6,406,829	22	6,848,359	43
181- 270 days	-	-	-	-

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271 – 360 days	5,394,630	18	1,743,759	11
over 360 days	16,362,642	55	4,532,269	28
<b>Total</b>	<b>29,641,894</b>	<b>100%</b>	<b>16,005,504</b>	<b>100%</b>

**15 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	16,005,503	6,219,030
Additional provisions during the year	13,636,391	9,786,473
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	<b>29,641,894</b>	<b>16,005,503</b>

**16. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	95,873	0
admin stores	926,310	0
Building Dept. stores	130,650	0
Electrical stores	127,800	0
Cleaning Materials stores	7,211	0
Catering stores		
Less: Impairment allowance		
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>1,287,844</b>	<b>0</b>

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**17. Property, Plant and Equipment**

	Land	Buildings	Furniture and fittings	Computer & ICT Infrastructure	Plant, Machinery and equipment	Motor Vehicles	Library Books	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
<b>Depreciation Rate</b>		2%*NBV	20 %*NBV	20 %*NBV	20 %*NBV	10 %*NBV	12.5%*NBV	
At 30 <sup>th</sup> June 2024	15,000,000	84,457,466	3,403,912	12,426,647	6,180,129	9,500,000	0	130,968,154
Additions	0	1,427,600	-	753,750	-	0	1,669,620	3,850,970
Disposals	-	-	-	-	-	-	0	0
Transfer/Adjustments	-	-	-	-	-	-	0	0
At 30 <sup>th</sup> June 2025	15,000,000	85,885,066	3,403,912	13,180,397	6,180,129	9,500,000	1,669,620	134,819,124
<b>Depreciation And Impairment</b>								
Depreciation	0	1,665,156	627,639	1,443,877	1,134,818	500,000	-	5,371,490
At 30 <sup>th</sup> June 2024	0	1,665,156	627,639	1,443,877	1,134,818	500,000	-	5,371,490
Depreciation	0	1,678,114	1,063,620	356,175	1,683,559	955,500	-	5,736,968
At 30 <sup>th</sup> June 2025	0	1,678,114	1,063,620	356,175	1,683,559	955,500	-	5,736,968
<b>Net Book Values</b>								
At 30 <sup>th</sup> June 2024	15,000,000	82,792,310	2,776,273	10,982,770	5,045,311	9,000,000	0	125,596,664
At 30 <sup>th</sup> June 2025	15,000,000	84,206,952	2,340,292	12,824,222	4,496,570	8,544,500	1,669,620	129,082,156

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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 by ICON professional valuers on 2021. These amounts were adopted in the financial statements on 2022.

**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	15,000,000	0	15,000,000
Buildings	85,885,066	1,678,114	84,206,952
Plant And Machinery	7,314,947	2,818,377	4,496,570
Computers and Related Equipment	14,624,274	1,800,052	12,824,222
Office Equipment, Furniture, And Fittings	4,031,551	1,691,259	2,340,292
Motor Vehicles	10,000,000	1,455,500	8,544,500
Library Books	1,669,620	0	1,669,620
<b>Total</b>	<b>138,525,458</b>	<b>9,443,302</b>	<b>129,082,156</b>

**18. Trade and Other Payables**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	14,162,277		12,720,258	
<b>Total Trade and Other Payables</b>	<b>14,162,277</b>		<b>12,720,258</b>	
<b>Ageing analysis:</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year	13,648,887	96%	11,710,868	92%
1-2 years	513,390	4%	1,009,390	8%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total</b>	<b>14,162,277</b>	<b>100%</b>	<b>12,720,258</b>	<b>100%</b>

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**19. Fees paid in Advance**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	12,228,622		7,753,712	
Total	12,228,622		7,753,712	
<b>Ageing analysis:</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year	883,511	7%	465,223	6%
1-2 years	2,900,986	24%	1,938,428	25%
2-3 years	6,277,266	51%	3,799,319	49%
Over 3 years	2,166,859	18%	1,550,742	20%
<b>Total</b>	<b>12,228,622</b>	<b>100%</b>	<b>7,753,712</b>	<b>100%</b>

**20. Cash generated from operations.**

	2024-2025	2023-2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>2,296,639</b>	<b>10,763,144</b>
<b>Adjusted for:</b>		
Depreciation	5,736,968	5,371,491
<b>Working Capital Adjustments</b>		
Increase in Receivables	-10,596,412	9,286,473
Increase in Payables	5,916,929	-20,983,903
<b>Net Cash Flow from Operating Activities</b>	<b>3,354,124</b>	<b>4,437,205</b>

## **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 Tetu TVC's management based on prior experience and their assessment of the current economic environment.

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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.

Tetu TVC has no significant concentration of credit risk on amounts due from any other party.

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
<b>At 30 June 2024</b>				
Trade payables	12,720,258	-	-	12,720,258
prepaid fees		303,555	7,450,157	7,753,712
refundable to customers		-	-	-
refundable to mentor		-	-	-
<b>Total</b>	<b>12,720,258</b>	<b>303,555</b>	<b>7,450,157</b>	<b>20,473,970</b>
<b>At 30 June 2025</b>				
Trade payables	10,257,043	2,346,987	1,558,247	14,162,277
prepaid fees		0	12,228,622	12,228,622
refundable to customers		-	-	-
refundable to mentor		-	-	-
<b>Total</b>	<b>10,257,043</b>	<b>2,346,987</b>	<b>13,786,869</b>	<b>26,390,899</b>

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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 ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The 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.

**iv) Capital Risk Management**

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	39,781,700	39,781,700
Retained Earnings	18,371,239	14,839,939
Capital Reserve	77,449,916	74,356,714
<b>Total Funds</b>	<b>135,602,855</b>	<b>128,978,353</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	1,981,820	2,478,666
Net Debt/(Excess Cash and Cash Equivalents)	1,981,820	2,478,666
<b>Gearing</b>	-	-

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**22. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	500,000	1,500,000
<b>Total</b>	<b>500,000</b>	<b>1,500,000</b>
<b>b) Key Management Compensation</b>		
Directors' emoluments	790,000	730,000
<b>Total</b>	<b>1,290,000</b>	<b>2,230,000</b>

**23. Events After The Reporting Period**

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

**24. 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.

**25. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	<b>Long outstanding Trade and Other Receivables</b>	The issue is well noted. The management has initiated the practice of encouraging the trainees to apply for the bursaries, HELB and scholarships. In addition, the management with the steering of the principal has steered to seek for the sponsors on the needy trainees to offset some of the long outstanding dues as a basis of encouraging the trainees to complete their courses in the due time with overstaying in the college	Resolved	30/6/2025
2.0	<b>Inaccuracies in property, plant and equipment</b>	The issue is well noted. The management confirms the asset register had some omissions including the values of some computers and newly constructed prefab classrooms where the correct valuation of ksh. 130,968,154 is supported.	Resolved	30/6/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The issue of the land ownership documents is being fast-tracked by the management where currently there is a letter from the National Land Commission ref: NCG/LPPUD/NLC/VOL IV/59/71 stating the consent to subdivide and transfer Thegenge /kiganjo/571 to Tetu Technical &amp; vocational college and Kagwathi primary school dated 3<sup>rd</sup> April 2025</p>		
	<p><b>Budgetary control and performance</b></p>	<p>The issue is well noted. Following your cordial support in the budget monitoring on monthly, quarterly, half yearly and on annual perspective the management will maintain continuous budget reviews to ensure there are no variations in the annual budget and actual performance comparisons. The advice on the maintenance of vote book will go long way in eradicating this issue and form basis of ensuring the resources are well allotted and utilized to the</p>	<p>Resolved</p>	<p>30/6/2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		respective vote heads from which the budgets will be adjusted accordingly.		
	<b>Engagement of Unregistered and Unlicensed Tutors</b>	The matter at hand is well noted and put into prioritization. The management with the support of the board of governors have fast tracked the issue at hand and is in the process of ensuring the trainers are licensed and registered with the respective Body for ease of disseminating professionalism in and out of stations.	Resolved	Gradual
1.	<b>Lack of Human Resource Unit &amp; Unimplemented Staff Establishment</b>	The issue is well noted. The management in line with the board of governors are in the fore front to ensure the human resource unit and the full implementations are in place with cordial support from the Ministry of Education State Department for Technical Vocational, Education and training. With the continued provision the Public service trainers and the Board of Governors trainers, the management will have the Human Resource in place to manage the	Resolved	Gradual

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		records and coordinate with the accounting team in the college to mitigate the gaps and implement the staff establishment in the college.		
2.	<b>Failure to Tag Assets</b>	The issue is well noted. The additional assets in the college acquired after the last tagging are in the plans of being tagged in the due course time. The management in support of the well-wishers are ready to tag the newly acquired assets once resources are available to ease of identification as the assets are well managed and utilized in the institution.	Resolved	Gradual

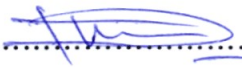
**Guidance Notes:**

- (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;

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- (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.

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**Name of Accounting Officer: David M. Kariuki**

**Date** 27/08/2025,

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**Appendix II: Projects Implemented by TETU TVC**

**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)
Prefab lecture shed for Masonry department	2024/2025/1	Tetu TVC	6 MONTHS	100% FINANCING	YES	YES
Installation of CCTV Cameras in the college	2024/2025/2	Tetu TVC	3 MONTHS	100% FINANCING	YES	YES
Provision of welding machines	2024/2025/3	Tetu NG-CDF	6 MONTHS	100% FINANCING	YES	YES

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Prefab lecture shed for Masonry department and Pit Latrine	1,427,600	1,427,600	100%	1,500,000	1,427,600	Tetu TVC
2	Installation of CCTV Cameras in the college	753,750	753,750	100%	800,000	753,750	Tetu TVC
3.	Provision of welding machines	570,000	570,000	100%	600,000	570,000	Tetu NG-CDF

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity: Ministry of education STDTVET

Name of beneficiary entity: Tetu technical and vocational college

**Confirmation of amounts received by Tetu Technical and Vocational College as at 30<sup>th</sup> June 2025**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
11553	2/10/2024	500,000	0	500,000	The difference with the amounts in bank statement is the bank charge for the amounts disbursed.
11554	23/9/2024	1,746,914	0	1,746,914	
11555	25/9/2024	1,558,785	0	1,558,785	
11556	23/9/2024	3,500,547	0	3,500,547	
11557	20/9/2024	745,798	0	745,798	
11559	25/9/2024	1,803,425	0	1,803,425	
12701	15/2/2025	5,148,000	0	5,148,000	
<b>Total</b>		<b>15,003,469</b>	<b>0</b>	<b>15,003,469</b>	

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

**Head of Accounts Department - Disbursing Entity:**

Name: David M. Kariuki

Sign  Date 27/08/2025

**Head of Accounts Department - Beneficiary Entity:**

Name ..... Sign ..... Date.....