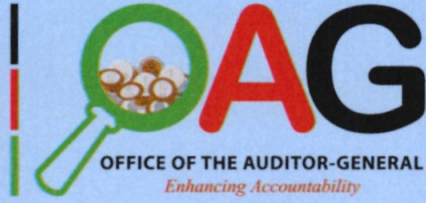


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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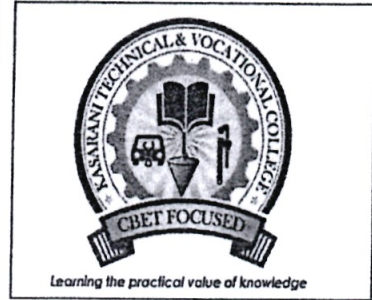
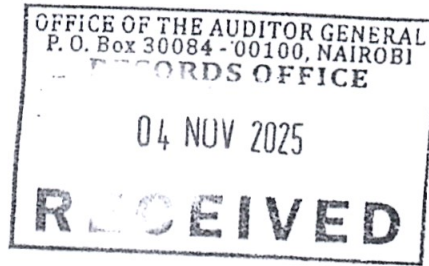
THE AUDITOR-GENERAL

ON

**KASARANI TECHNICAL AND VOCATIONAL
COLLEGE**

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

Revised 30th June 2025



KASARANI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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

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

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Kasarani Technical and Vocational College
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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
CBET	Competency Based Education and Training
CDACC	Curriculum Development, Assessment and Certification Council
ERP	Enterprise Resource Planning
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KUCCPS	Kenya Universities and Colleges Central Placement Service
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority

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 Entity Information and Management

(a) Background information

Kasarani Technical and Vocational College was established under the TVET Act on 26 April 2017. The entity is domiciled in Kenya and has no branches. The institution is under the Ministry of Education. The institution has seven (7) academic departments namely: Electrical and Electronics Engineering, Mechanical and Automotive Engineering, Computing and Informatics, Hospitality and Institutional Management, Agriculture and Environmental Studies, Business Studies and Entrepreneurship and Building and Civil Engineering. The Top Management is composed of the Principal, Deputy Principal – Academics, Deputy Principal – Administration, Registrar – Academics, Registrar – Admissions, Marketing & Linkages, Dean of Trainees, Finance Officer, Internal Auditor, and Procurement Officer, heads the College.

(b) Principal Activities

The core mandate of Kasarani Technical and Vocational College is to offer Technical, Vocational Education and Training.

Vision Statement: A centre of excellence in the Provision of Competency Based Education and Training (CBET)

Mission Statement: To produce highly skilled and competitive graduates through quality training in partnerships with the stakeholders for the global market.

Motto: Learning the Practical Value of Knowledge

Core Values: Kasarani TVC will be governed and will strive to uphold the following core values:

- ✓ Accountability
- ✓ Teamwork
- ✓ Professionalism

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- ✓ Transparency
- ✓ Patriotism
- ✓ Integrity
- ✓ Equity
- ✓ Quality

(c) Key Management

Kasarani Technical and Vocational College's day-to-day management is under the following key organs:

- The Board of Governors
- The Principal
- The Fiduciary Management, which comprises: Principal, Deputy Principal – Academics, Deputy Principal – Administration, Registrar – Academics, Registrar – Admissions, Marketing & Linkages, Dean of Trainees, Finance Officer, Internal Auditor, and Procurement officer.

Key Entity Information and Management (Continued)

(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	Ms. Josephine M. Begi
2.	Deputy Principal – Administration	Mr. Ng'etich Richard Kiplangat
3	Deputy Principal – Academics	Ms. Kiiro Catherine Manini
4	Registrar – Academics	Mr. David Oyugi Ogalo
5	Registrar – Admissions, Marketing & Linkages	Mr. Isaiah Omollo Onyango
6	Dean of Trainees	Mr. Vitalis Wangila
7	Finance Officer	CPA Josiah Nyauncho
8	Procurement Officer	CPS-K. Mr. Antony Ndungu
9	Internal Auditor	CPA Oino Innocent Makanga

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(e) Fiduciary Oversight Arrangements

The Board of Governors

The Board of Governors has the overall responsibility to ensure the achievement of the strategic objectives and mandate of the organisation as set out under the PFM Act. This responsibility is achieved through the various committees of the Board which are given specific terms of reference to carry out the Board's mandate. The Board also ensures that strategic direction is given to management who are responsible for the day-to-day operations of the organisation to achieve commonality of purpose. Kasarani Technical and Vocational College had put in place the following fiduciary oversight committees that act as enablers of the institution:

i. Finance, Infrastructure and Human Resource Committee:

This committee deals with Governance and Strategic issues of the Board. It is therefore responsible for the Board's achievement of its strategic objectives and ensures that annual work plans are implemented. The Committee is responsible for ensuring that the organisation's budget and procurement plan are in line with the strategic plan and the Board's mandate as outlined in the law. This committee is also responsible for managing the organisation's risk, ensuring compliance to all applicable laws and regulations, and spearheading good governance practices by the Board members and the Secretariat. The committee sets up viable policies that dictate how the College's assets and funds are managed as well as coordinating the human resource function. It sets up the College fees structure and is always available for consultation on financial matters affecting the College. The composition of the committee is as per the table below:

S/No.	Member	Designation
1.	Ms. Victoria Mueni Mulwa	Chairperson
2.	CPA Ms. Scolastica Kailanya	Member
3.	Mrs. Maryan Abdi Hassan	Member
4.	Ms. Josephine M. Begi	Secretary

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ii. Education, Research and Training Committee:

The committee looks into and supports all academic matters of the College providing guidance on training methods and practices, courses and their uptake as well as advising management on education matters. This committee comprise of the following members:

S/No.	Member	Designation
1.	Mr. Gideon Murenga	Chairperson
2.	Ms. Ruth Akinyi Owuor	Member
3.	Ms. Robai Musilivi Shiakhutsa	Member
4.	Eng. Clement Maiko	Member
5.	Ms. Josephine M. Begi	Secretary

iii. Audit and Risk Management Committee:

This committee's role is to provide oversight of the financial reporting process, the audit process, the Kasarani Technical and Vocational College's system of internal controls and compliance with laws and regulations. The members of this committee are as follows:

S/No.	Member	Designation
1.	Eng. Clement Maiko	Chairperson
2.	Ms. Robai Musilivi Shiakhutsa	Member
3.	Mr. Geoffrey Ochola	Member
4.	Mrs. Maryan Abdi Hassan	Member
5.	CPA Innocent Makanga	Secretary

(f) Entity Headquarters

Kasarani Technical and Vocational College
 Kamulu Shopping Centre, off Kangundo Road
 P.O. Box 51898 – 00200,
 Nairobi, Kenya.

Kasarani Technical and Vocational College
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Key Entity Information and Management (Continued)

(g) Entity Contacts

Telephone: (+254) 0716685054

E-mail: Kasaranitechnical@gmail.com

Website: www.Kasaranitechnical.ac.ke

(h) Entity Bankers

Kenya Commercial Bank

Kencom House,

Moi Avenue,

P.O. Box 48400 – 00100,

Nairobi, Kenya.

(i) Independent Auditors

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya.

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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Key Entity Information and Management (Continued)

(a) Principal Legal Adviser





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

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3.The Board of Governors

<i>SN</i>	<i>Member</i>	<i>Details</i>
1.	 Mr John Kariuki Kamuiru Chairman BOG	D.O.B- 18 th April 1977 Qualifications- Master of Science in Project Management, Bachelor of Education (Science) Current work experience- Educational Programs Coordinator in Kasarani Constituency, An Independent member and Chairman of the Board
2.	 Ms. Victoria Mueni Mulwa Member	D.O.B- 2/12/1967 Qualifications- Bachelor's Degree, B.SC in Business Administration. Career Banker CEO and Founder Arope Group Ltd, a Background Checks & Due diligence company. An Independent member and chairs Finance, Infrastructure and Human Resource Committee
3.	 Mr. Gideon Murenga Member	D.O.B- 18/05/1985 Qualifications- Master of Education – Educational Administration Bachelor of Education Science (Physics/Math). An Independent member and chairs the Education and training committee

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4.	 Mr. Geoffrey Ochola Member	D.O.B- 18/07/1985 Qualifications- Bachelor of Education in Technology Education (Electrical and Electronics)
5.	 Ms. Ruth Akinyi Owuor Member	D.O.B; 23/07/1968 Qualifications- Master of Education (Education Planning) Current Work Experience- Director for City Education, Nairobi County. An Independent member
6.	 Ms. Robai M. Shiakhutsa, CS Member	D.O.B-11/08/1986 Qualifications- Master of Laws- LLM, Certified Secretary of Kenya. Current work experience- Advocate of the High Court An Independent member
7.	 Ms. Scholastica Kailanya Member	D.O.B- 05/04/1988 Qualifications: Bachelor of Commerce- Finance Option CPA (K) Currently pursuing masters in development finance. Current work experience: Ag. Internal Audit Manager at Kenya Union of Credit and Cooperatives. An Independent member

Kasarani Technical and Vocational College
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8.	 Mrs. Maryam Abdi Hassan Member	D.O.B.12/12/1977 Qualifications- Bachelor of Education (Science) Current work experience- Regional Director- TVET Nairobi Region. PS, Representative
9.	 Eng. Clement Maiko Member	D.O.B- 01/01/1977 Qualifications- Engineer An Independent member and chairs the Audit and Risk Management Committee
10.	 Ms. Josephine M. Begi Principal/Secretary BOG	D.O.B 12/12/1970 MA in Economic Policy Management. Current work experience- Principal- Kasarani Technical and Vocational College. She is a non-member of Institute of Certified Public Secretaries of Kenya

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4. Key Management Team

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Ms. Josephine M. Begi	Principal MA in Economic Policy Management. Current work experience – Principal – Kasarani Technical and Vocational College.
2.	 Ms. Kii Catherine Manini	Deputy Principal – Academics Masters in Educational Leadership and Policy Studies
3.	 Mr. Ng'etich Richard Kiplangat	Deputy Principal – Administration and Finance Post Graduate Diploma in Education, Bachelor of Commerce
4.	 Mr. Isaiah Omollo Onyango	Registrar Admissions, Marketing & Linkages Bachelor of Information Communication Technology
5.	 Registrar Academics	Registrar Academics MEng. in Power Engineering & Engineering Thermo Physics Bachelor of Education in Technology Education (Power Mechanics Technology)

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	Mr. David Oyugi Ogalo	
6.	 Mr. Nyongesa Vitalism Wangila	Dean of Trainees BSc. In ICT Management Diploma in Technical Education – ICT
7.	 CPA Nyauncho Josiah Maroko	Finance Officer MBA, Finance option BBM, Finance and banking option CPAK: ICPAK No. 29221
8.	 Mr. Antony Kamau Ndungu	Procurement Officer Procurement Officer BBSM, Procurement & Supplies chain Management.
9.	 CPA Oino Innocent Makanga	Internal Auditor BCom, Accounting Option CPAK: ASSOC NO. 4338

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

5. Chairman's Statement

It is with great pleasure that I present the Kasarani Technical and Vocational College's statement for the financial year 2024/2025. This year has been marked by significant progress, growth, and resilience, as well as the continued dedication of our staff, trainees, and stakeholders. I am proud to highlight our key achievements, challenges, and future direction.

Our strategic priorities for the year focused on enhancing educational quality, expanding institutional capacity, and strengthening governance. A major milestone was the completion of our infrastructure development, which included planning and commissioning of the academic complex, new ablution block, Dean's office, Parking Bay, new electrical workshop and staffroom, setting up of the automotive service bay for automotive Skills acquisition and forging partnerships with government hostel owners for trainee accommodation through the affordable housing programme. These developments have enabled us to accommodate a larger trainee population and provide a better learning environment.

We also introduced new courses in Civil Engineering, Water Engineering Technology, Accountancy, Agricultural Extension, Computer Science and Computer Programming, aligning our curriculum with the evolving needs of the labor market. These programs, accredited by TVET Authority and assessed by TVET CDACC, are designed to equip our trainees with industry-ready skills. Additionally, we strengthened industry partnerships, signing new Memoranda of Understanding (MOUs) with key players, facilitating internships, Dual training and improving job placement for graduates.

Kasarani TVC's trainee enrollment increased from 2062 trainees in the FY 2023/24 to an impressive population of 2320 trainees in the FY 2024/25, reflecting growing confidence in our institution. Our course completion rate of 85% highlights the success of our programs, with many trainees securing employment or pursuing further studies. On the governance front, we completed a governance audit, implemented a Board performance evaluation system, and approved policies to enhance transparency and accountability in our Institution.

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Despite our successes, we faced several challenges during the 2024/2025 financial year. Limited government funding and rising operational costs constrained our ability to invest in modern technologies and expand our infrastructure. Keeping pace with rapid technological advancements also posed challenges, as the demand for up-to-date equipment and digital learning platforms continues to grow. Additionally, trainee welfare, including housing, mental health services, and financial aid, remained areas requiring improvement as our trainee population increased.

Looking ahead, Kasarani TVC is committed to overcoming these challenges and building on our achievements. We plan to diversify our revenue streams through partnerships, grants, and income-generating activities to address funding constraints. Embracing digital transformation is a priority, and we will continue to expand e-learning platforms and leverage on the modern training equipment in our Jitume lab to prepare trainee for the digital economy.

Improving trainee support services is another key focus. We aim to set up accommodation facilities through the affordable housing program, enhance mental health resources, and increase bursary allocations for disadvantaged trainees by engaging the area member of parliament. We also plan to increase our trainee support on application of KUCCPS placement and application for Government scholarships and HELB loans. Strengthening industry partnerships will remain central to improving graduate employability, with more internships and collaboration on Dual training.

Finally, we are committed to sustainability, exploring renewable energy and environmental conservation initiatives to make Kasarani TVC eco-friendlier and more cost-efficient.

In conclusion, the financial year 2024/2025 has been pivotal for Kasarani TVC, marked by growth, achievement, and valuable lessons. While challenges remain, I am confident that our collective efforts as a Board, alongside our dedicated staff and trainees, will position Kasarani TVC for sustained success. I extend my deepest gratitude to my fellow Board members, the College's management, and our stakeholders for their unwavering support. Together, we will continue to drive Kasarani TVC towards excellence in technical and vocational education, making a lasting impact on our trainees and the entire community.

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



.....
Mr. John Kariuki Kamuiru
Chairperson of the Board

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6. Report of the Principal

During the financial year 2024/2025 the College experienced significant milestones, a number of challenges, and forward-thinking initiatives that will shape our future. I extend my gratitude to our Board, staff, trainees, and stakeholders for their commitment to advancing Kasarani TVC's vision. Some of the milestones include:

Expansion of Infrastructure and Facilities

The year 2024/2025 marked a key milestone in our infrastructural development. We completed our development plan, resulting in the infrastructure development, which included planning and commissioning of the academic complex, new ablution block, Dean's office, Parking Bay, new electrical workshop and staffroom, setting up of the automotive service bay for automotive Skills acquisition and forging partnerships with government hostel owners for trainee accommodation through the affordable housing program. Establishing a working relationship with our neighbors in setting up of trainee accommodation facilities helped address the growing trainee population, though there remains a need for further expansion as demand continues to rise. These infrastructural developments have enhanced our ability to offer diverse programs, support more trainees, and create a conducive learning atmosphere.

Curriculum Development and Accreditation

Kasarani TVC continuously strives to stay ahead of the evolving demands of the labor market. In this financial year, we introduced several new courses in various fields. These programs were promptly accredited by the relevant authorities, ensuring that our trainees receive training that aligns with global industry standards. Additionally, we implemented the Modularized curriculum following the nationwide rollout in May 2025.

Industry Partnerships and Linkages

We made significant strides in building and maintaining industry partnerships to provide trainees with hands-on learning experiences. Our partnerships included local companies and development partners in various fields. This year, we signed new Memoranda of Understanding (MOUs) with leading organizations, which led to internship and Dual training opportunities for our trainees pursuing Welding and Fabrication Level 6 course. These partnerships have proven invaluable in

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enhancing trainee employability and ensuring that our graduates are well prepared for the workforce.

Trainee Enrollment and Success Rates

In the 2024/2025 financial year, Kasarani TVC experienced a growth in population from 2062 trainees to 2320 trainees, a clear indication of the growing reputation of our institution. We also maintained an impressive course completion rate, with many of our graduates securing employment in their fields or progressing to higher education. This growth in enrollment is a testament to the quality of education we provide, and our efforts to align programs with industry needs have resulted in increased demand for Kasarani TVC graduates.

Governance and Leadership Improvements

The governance of the College was further strengthened during the year. The Board of Governors implemented a comprehensive governance audit, which led to the adoption of new policies aimed at enhancing transparency and accountability. In addition, a performance evaluation system for both the Board and the management was established, ensuring that we uphold the highest standards of governance. These initiatives have improved decision-making processes and reinforced the institution's commitment to operational excellence.

Despite the achievements and growth highlighted, the College faced a number of challenges during the year under review. These challenges include:

Funding Constraints

One of the primary challenges we encountered this year was funding. Limited government funding, low fee payment, limited sponsorship, coupled with rising operational costs, hampered our ability to fully implement planned expansion projects and acquisition of new technology. While we were able to make progress in key areas, these financial limitations restricted our ability to invest in modern equipment that is essential for technical training.

Keeping up with Technological Advancements

As the world increasingly moves towards digitization, Kasarani TVC faces the challenge of keeping up with rapid technological advancements. The need for updated equipment, digital

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learning platforms, and specialized training tools is critical to ensuring that our trainees are well prepared for the modern workforce. However, the financial limitations mentioned above have made it difficult to invest as much as we would like in these areas.

Trainee Welfare

With the continued growth in trainee numbers, ensuring the welfare of our trainees has become more complex. The privately owned trainee accommodation facilities do not take into account the fact that some trainees are financially unstable and hence the high amount of rent poses an urgent need to establish our housing services. Additionally, we recognize the growing importance of mental health and financial aid for trainees, particularly those from disadvantaged backgrounds. The College Administration has taken initiatives to address some of these welfare needs.

Looking ahead, Kasarani TVC is focused on consolidating its gains and addressing the challenges we face. Our plan revolves around several key pillars:

a) Resource Mobilization

To address our financial challenges, Kasarani TVC will diversify its funding sources by pursuing public-private partnerships, applying for grants, and expanding income-generating activities. This strategy will help us secure the funds necessary to continue infrastructure development, modernize training equipment, and support ongoing initiatives.

b) Digital Transformation

Recognizing the importance of digital skills in the modern economy, we are committed to investing in e-learning platforms, digitizing administrative processes, and acquiring state-of-the-art training equipment. We will also provide continuous professional development for our teaching staff to ensure they can deliver cutting-edge education that meets industry standards.

c) Enhancing Trainee Support Services

We are taking deliberate steps to improve trainee welfare by expanding accommodation facilities by collaborating with government through the affordable housing program, increasing access to mental health resources, and expanding our HELB desk support infrastructure to assist more

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trainees apply for Government scholarship and HELB loans. Our goal is to create an inclusive, supportive environment that ensures every trainee has the opportunity to succeed.

Strengthening Industry Partnerships

We continue to build strong relationships with industry players to ensure that our graduates are highly employable. This involves increasing internship opportunities, engaging industry experts in curriculum development, and exploring joint research and innovation projects. These partnerships are key in providing practical training and ensuring that our programs remain aligned with industry needs.

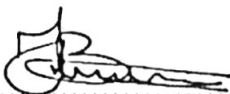
Sustainability Initiatives

As part of our long-term strategy, Kasarani TVC is committed to integrating sustainability into our operations. We continue explore opportunities to invest in renewable energy, waste management solutions, and environmentally friendly practices. This not only reduces operational costs but also positions Kasarani TVC as a leader in green education and sustainability.

Financial Performance

While Kasarani TVC faced financial challenges, we managed our resources prudently, prioritizing essential projects and maintaining the institution's overall financial stability. We will continue working closely with stakeholders to improve our financial position and ensure we meet the needs of our growing trainee population.

In conclusion, the financial year 2024/2025 has been one of significant progress and growth, despite the challenges we have faced. Our strategic initiatives have strengthened the institution and positioned us for future success. Moving forward, we will continue working to enhance the quality of our education, expand our infrastructure, and improve trainee welfare. With the continued support of our Board, staff, and stakeholders, I am confident that Kasarani TVC will remain a leading institution in technical and vocational education.



Ms. Josephine M. M. Begi
Principal/Secretary BOG

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

Kasarani Technical and Vocational College has four (4) strategic issues within the current Strategic Plan for the FY 2023 – FY 2027. These strategic issues are as follows:

- i. Training and Skills Development;
- ii. Trainees' well-being;
- iii. Research, Development & Innovations (R, D & I);
- iv. Institutional capacity and sustainability.

Kasarani Technical and Vocational College develops its annual work plans based on the above listed issues. 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 2024/25 period for its four strategic issues, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
1. Training and Skills Development;	To enhance access and equity to TVET	<ul style="list-style-type: none"> • No. of Curriculum/ courses implemented • No. of linkages & partnership • No. of trainees Sensitized. 	<ul style="list-style-type: none"> • Roll-out market driven programs • Increase provision of trainee loans, bursaries and scholarships through partnerships. • Market and publicize training programs 	<ul style="list-style-type: none"> • Ten (10) new CBET courses mounted. • Programme audit conducted. • Five hundred and thirty-two (532) trainees benefited from government scholarships and HELB loans

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	To enhance infrastructural development	<ul style="list-style-type: none"> • No. of work plan activities achieved. • Percentage Project Completion Rate. • Percentage Budget absorption • Completion certificate/job card issued. 	<ul style="list-style-type: none"> • Construct identified projects as per the workplan. • Complete on-going infrastructural projects 	Dean's office, trainees' toilet, trainers' toilet, automotive service bay completed
2. Institutional capacity and sustainability	Uphold Institutional Governance	<ul style="list-style-type: none"> • No. of policies developed, approved and implemented. • No. of Performance evaluations undertaken • No. of Capacity building for the Result Based Mgt. (RBM) undertaken • No. of Staff seminars and workshops conducted. • Performance Management system 	<ul style="list-style-type: none"> • Identify priority policy areas for development. • Constitute policy drafting committees. • Conduct stakeholder consultations and benchmarking. • Draft, review, and submit policies for approval. • Sensitize staff on newly approved policies. • Identify training needs on RBM. • Organize workshops and training sessions. 	<ul style="list-style-type: none"> • Employee Performance Management Committee established and operationalized • Academics Policy Reviewed and implemented. Occupational safety and health policy developed, approved and implemented • Capacity Building on Competency

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		<p>established</p> <ul style="list-style-type: none"> • No. of additional staff recruited 	<ul style="list-style-type: none"> • Engage experts/trainers on RBM practices • Develop and implement annual training schedule. • Identify key topics relevant to staff development. • Invite internal and external facilitators. • Recruitment and appointment of additional staff. 	<p>Based Assessment, Modularized Curriculum, Recognition of Prior Learning Assessment conducted.</p> <ul style="list-style-type: none"> • Additional staff recruited.
	<p>Enhance prudent management of resources</p>	<ul style="list-style-type: none"> • No. of environmental protection activities undertaken 	<ul style="list-style-type: none"> • Organize tree planting and landscaping activities. • Conduct environmental awareness campaigns 	<ul style="list-style-type: none"> • Kamulu market clean-up, • Curriculum Greening in Welding and Fabrication Workshop. • Participated in National Tree Growing and Restoration Campaign initiative

Kasarani Technical and Vocational College
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	Enhance customer satisfaction	<ul style="list-style-type: none"> • No. Customer satisfaction surveys conducted and findings implemented. Reviewed • service Delivery 	<ul style="list-style-type: none"> • Create survey tools, gather customer feedback, review results, address gaps, apply corrective measures, and monitor progress. 	<ul style="list-style-type: none"> • Customer satisfaction index of 56.41% was achieved during the year under review. • Website with
		<ul style="list-style-type: none"> Charter in place. • Upgraded Kasarani TVC website 	<ul style="list-style-type: none"> • Assess upgrade needs, engage developers, redesign website with interactive features, update content, and sensitize staff. 	<ul style="list-style-type: none"> interactive features was designed • Training on ERP Conducted.
3. Research, Development & Innovations (R, D & I);	Enhance Research, Development and Innovations in Kasarani TVC	<ul style="list-style-type: none"> • R, D & I Policy reviewed. • No. of Research papers presented. • No. of Innovations developed and exhibited. • No. of Conferences attended. 	<ul style="list-style-type: none"> i. Capacity Building on R, D & I. • Attending/hosting conference. • Presenting research papers. • Developing innovations • Reviewing R, D and I policy. 	Participated and won awards in innovations and exhibits at regional and national level (Robotics and Energy saving stove)
4. Trainees' well-being	Enhance the trainees' training experience;	<ul style="list-style-type: none"> • No. of playing fields upgraded • No of indoor sports facilities constructed. 	<ul style="list-style-type: none"> • Procure sports equipment and field upgrade materials. • Implement rehabilitation works. 	<ul style="list-style-type: none"> • Participated and won awards in sports and drama at

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		<ul style="list-style-type: none"> ● Trainee retention and course completion rates achieved. ● No. of sensitization on career information conducted ● Trainee financing advocacy, sensitization and peer support programmes undertaken 	<ul style="list-style-type: none"> ● Conduct health screening. ● Partner with nearby health institutions. 	<ul style="list-style-type: none"> regional and national level. ● One Mental Health Screening conducted in collaboration with Ngundu Hospital. ● Sensitization on gender related talk was conducted for the year under review.
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8. Corporate Governance Statement

Kasarani Technical and Vocational College (Kasarani TVC) is committed to the highest standards of corporate governance, in compliance with relevant laws, policies, and best practices in the education sector. The College strives to maintain transparency, accountability, and integrity in its operations and decision-making processes, to ensure sustainable growth and effective service delivery to trainees, staff, and stakeholders.

The governance of Kasarani TVC is structured to ensure clear accountability and oversight of the College's functions. The framework is based on the principles of good governance as outlined by the Ministry of Education and the TVET Act 2013. The following are integral to the College's governance:

Board of Governors (BOG)

The BOG is the supreme governing body of Kasarani TVC and is responsible for setting strategic direction, policy formulation, and ensuring that the College's activities are aligned with its mission and vision. The BOG exercises oversight of the College's management and operations and ensures compliance with statutory requirements. Its functions include among others approval of budgets, financial reporting, and risk management.

Principal

The Principal is the Chief Executive Officer of Kasarani TVC and is responsible for the day-to-day management of the College. The Principal reports to the BOG and ensures that decisions made by the Board are implemented. The Principal leads the top management team and is accountable for delivering educational outcomes, operational efficiency, and financial sustainability.

Management Committees

The College has established various management committees to support the governance structure, including the Finance, Infrastructure and Human Resource Committee, Education, Research and Training Committee, and the Audit and Risk Management Committee. These committees play a crucial role in specialized areas of governance and ensure that the College operates effectively and efficiently. The membership is as follows:

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Ref	Member	Full Board	Committees		
			Infrastructur e, Finance and Human Resource Committee:	Education, Research and Training Committee:	Audit and Risk Manageme nt Committee
1	Mr. John Kariuki Kamuiru – Chairman*.	✓			
2	Mr. Geoffrey Ochola –Member.	✓			✓
3	Mr. Gideon Murenga – Member**.	✓		✓	
4	Eng. Clement N. Maiko – Member**.	✓		✓	✓
5	Ms. Robai Shiakhutsa – Member.	✓		✓	✓
6	Ms Scholastica Kailanya – Member.	✓	✓		
7	Ms. Victoria Mulwa – Member**	✓	✓		
8	Ms. Ruth Owuor – Member	✓		✓	
9.	Mrs. Maryan Abdi Hassan – Member	✓	✓	✓	
10.	Ms Josephine M. Begi – Secretary BOG	✓	✓	✓	
11	Mr Ngetich Richard Kiplangat***	✓	✓	✓	
12	CPA Mr. Josiah Nyauncho****		✓		
13	CPA Mr. Innocent Makanga****				✓

*Board Chair

** Chairperson to the committee

*** Attended by invitation

**** Co- opted member of the Committee

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Board Attendance

Best practice requires that every Board member attend a minimum of 75% of all Board meetings. Below is an extract from the attendance register for the Board meetings held in the period from 1st July 2023 to 30th June 2025:

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Mr. John Kariuki Kamuiru – Chairman*.	4	4	4 of 4
2	Eng. Clement N. Maiko- Member.	8	7	7 of 8
3	Mr. Geoffrey Ochola –Member.	8	6	6 of 8
4	Mr. Gideon Murenga – Member**.	8	7	7 of 8
5	Ms. Robai Shiakhutsa, CS - Member.	8	7	7 of 8
6	Ms Scholastica Kailanya – Member.	8	8	8 of 8
7	Ms. Victoria Mulwa – Member**	8	7	4 of 8
8	Ms. Ruth Owuor-.	8	5	5 of 8
9.	Mrs. Maryann Abdi	8	7	7 of 8

Below is a summary of the general functions and members' attendance of each of the committee of the Board

i) Finance, Infrastructure and Human Resource Committee:

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1.	Mrs. Maryann Abdi	4	4	4 of 4
2	Ms Josephine M. Begi	4	4	4 of 4
3	Ms. Scholastica Kailanya	4	4	4 of 4
4	Ms. Victoria Mulwa – Chair**	4	3	3 of 4
5	CPA Josiah Nyauncho****	4	4	4 of 4

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ii) Education, Research and Training Committee:

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Mr. Gideon Murenga – Member**.	4	4	4 of 4
2	Ms. Robai Shiakhutsa, CS - Member.	4	4	4 of 4
3	Ms. Ruth Owuor-.	4	2	2 of 4
4.	Mrs. Maryann Abdi	4	4	4 of 4
5	Ms Josephine M. Begi	4	4	4 of 4
6	Mr. Richard Ngetich****	4	3	3 of 4

iii) Audit and Risk Management Committee

Sno	Member	Number of eligible meetings during the year	Number of meetings attended	Attendance
1	Eng. Clement N. Maiko – Member**.	4	4	4 out of 4
2	Ms. Robai Shiakhutsa	4	4	4 out of 4
3	Ms. Ruth Owuor	4	2	2 out of 4
4.	Mr. Geoffrey Ochola –Member.	4	2	2 out of 4
5	CPA Innocent Makanga****	4	4	4 out of 4

*Chairperson to the committee

** Committee member replacements

*** Attended by invitation

**** Co- opted member

Kasarani TVC's governance practices are guided by the following principles:

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Accountability: The College holds management and staff accountable for the effective use of resources and for delivering on institutional goals. Performance is measured against clear objectives, and regular reports are submitted to the BoG.

Transparency: Kasarani TVC is committed to openness in its decision-making processes. The College provides accurate and timely information to stakeholders, including staff, trainees, and regulatory authorities.

Integrity: The College upholds high ethical standards in all its dealings. Policies and procedures are in place to prevent conflicts of interest, fraud, and corruption. All governance actions are carried out with integrity to safeguard the College's reputation.

Inclusivity: The College fosters an environment of inclusion, ensuring that the views of all stakeholders are considered in governance processes. This includes staff, trainees, industry partners, and the community.

Continuous Improvement: Kasarani TVC strives for continuous improvement by regularly reviewing its governance processes and implementing best practices. This ensures that the College remains responsive to changes in the education sector and global trends in technical and vocational training.

Risk Management and Internal Control

Kasarani TVC has implemented a robust risk management framework to identify, assess, and mitigate risks that could affect the achievement of its objectives. The Audit and Risk Management Committee monitors the internal control systems to ensure they are effective in managing risks. The College conducts regular internal audits, and the findings are reported to the BoG for action.

Stakeholder Engagement

Kasarani TVC recognizes the importance of engaging with its stakeholders, including trainees, staff, parents, the Government, and industry partners. The College actively seeks feedback from

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these groups to improve its services and programs. The BoG and management also maintain open communication with regulatory bodies to ensure alignment with national educational goals.

Term of Board Members

The term of the Board is outlined under the amended provision of PFM Act, 2012 section 193(4). Members except ex- officio members shall be appointed by the Cabinet Secretary National Treasury and serve for a term of not more than three (3) years renewable once for a further term of three years. During the financial year, the term of the previous board lapsed. Anew board was appointed on 12th February 2024 and inaugurated on 27th March 2024.

Compliance to Laws and other Legal Requirements

PSASB as a responsible corporate citizen is alive to the tenets of the Constitution of Kenya and is fully compliant with the provisions of the PFM Act, 2012 under which the Board is established. The Board also ensures compliance to the PFM Act, 2012 by public sector entities through sensitization and training.

Board Remuneration

As per PFM Act, 2012 Section 195(2), the Salaries and Remuneration Commission determine the remuneration payable allowances to the members of the Board. Details of Board and committee allowances are included in these financial statements.

Conflict of Interest and Declaration of Interest

The Board members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Board. All transactions with all parties, directors or their related parties are carried out at arm's length. Board members are obligated to disclose to the Board any real or potential conflict of interest, which may come to their attention whether direct or indirect. During every Board meeting, an agenda item exists which requires members to make a declaration Public Sector Accounting Standards Board Annual Reports and Financial Statements For the year ended June 30, 2024 of any conflict of interest they may have in the business to be discussed. The board has observed this practice in the financial year under review.

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Board Charter and Board Training

Kasarani TVC's Board Charter was drafted and approved on 20th June 2022. The Charter outlines powers and responsibilities of the Board and its members, appointment, remuneration, term of the Board members, conduct of meetings, committee's terms of reference, conflict of interest among others. The Charter is premised on the Mwongozo Code and best Corporate Governance Practices. The board was inducted by the said documents on November 2022 on the best practices of corporate governance at Nakuru.

Board Evaluation

The performance of the Board and its members is evaluated on a regular basis. During the year Board evaluation wasn't undertaken by a representative from State Corporations Advisory Committee (SCAC). Although, going forward this will be done to enable the board and its members to gauge their performance and identify areas of improvement.

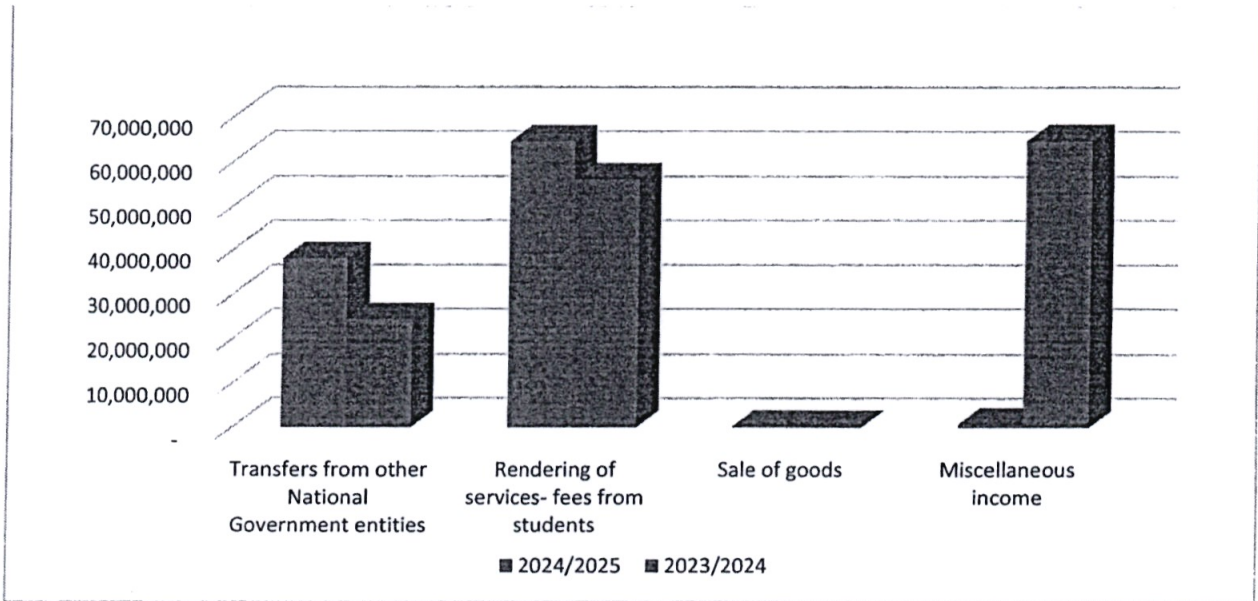
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9. Management Discussion and Analysis

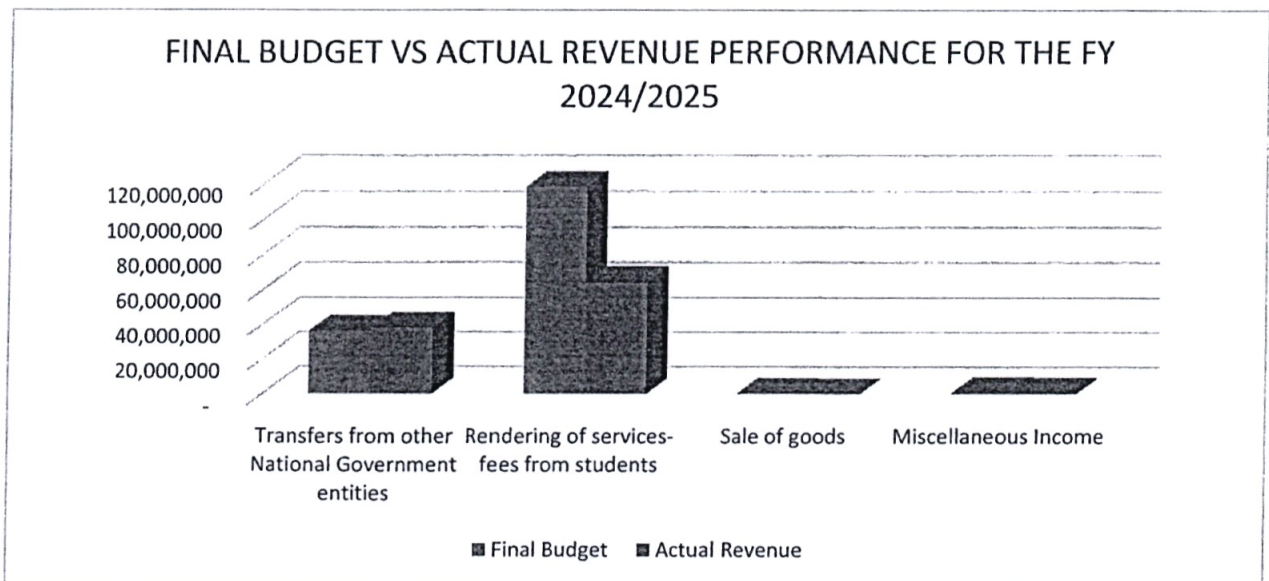
Summary of financial results

Revenue

**ANNUAL REVENUES GROWTH RATE FOR THE 2024/2025 AND 2023/2024
COMPRARISON**

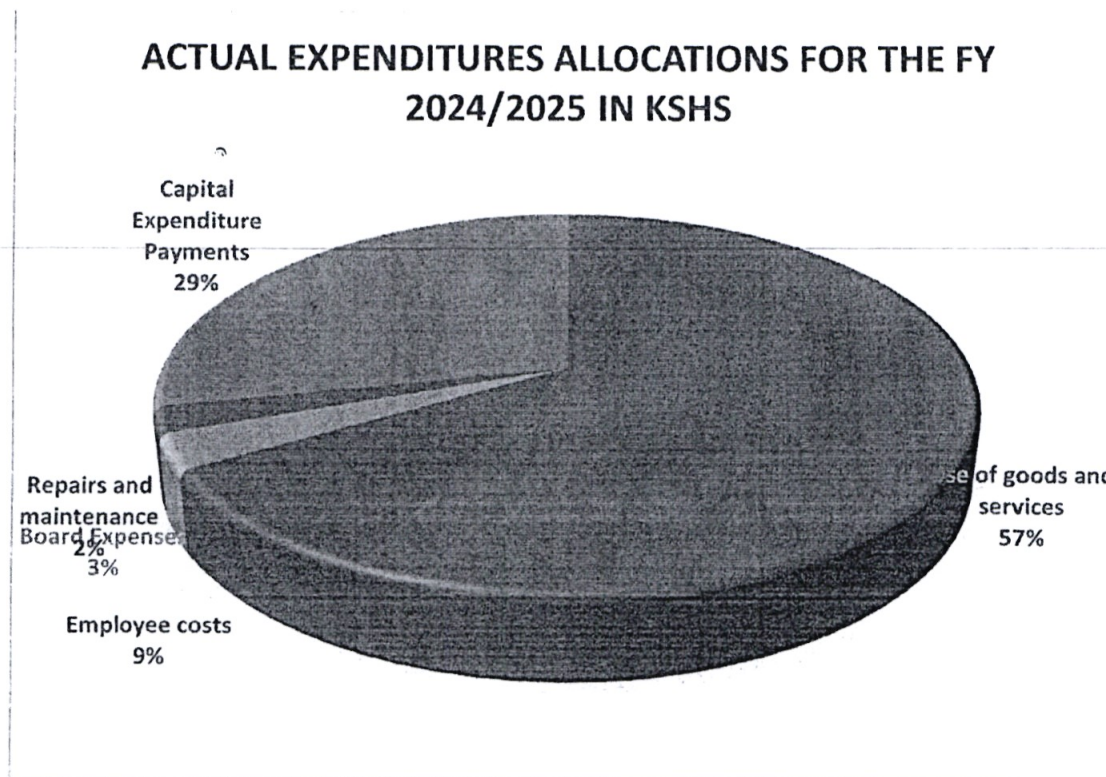


Revenue performance for the period under review



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Actual Expenditure by Category for the FY2024/2025



Kasarani TVC's operational and financial performance

Kasarani TVC closed the FY with a population of 2320 trainees steadily growing from 2062 trainees in the previous FY. This number not only boosted our enrolment but also our financial capacity, since government capitation and the new funding model depends on the number of eligible trainees successfully enrolled in the various programs offered by a learning Institution. More trainees will lead to a high liquidity ratio to our financial statement and attract more cash flows that will facilitate investment in infrastructure that is key for the growth and development of the College and the realization of Government's Bottom-Up Economic Transformation Agenda and Sustainable Development Goals that strive to ensure quality, equity, relevance and access to training.

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This growth also culminated into a staff growth to eighty-five (85) PSC staff. Mechanical & Automotive engineering and Building and Civil department still experienced deficit of trainers. However, no Board of Governors (BOG) services were sought during the period.

SUMMARY OF TRAINING STAFF AND TRAINEES' RETURNS

Institution Name		Kasarani Technical and Vocational College				Telephone Contact			+254716685054			
Institution email		kasaranitechnical@gmail.com										
County code		47		Nairobi								
MoE Code		4706		PSC Trainers In-Post		Council/ BoG	Trainee Enrolment			Graduated Trainees		
S/ No	Academic Department	M	F	Total	Trainers	Trainee						
		M	F	Total		M	F	Total	M	F	Total	
1	Mechanical &	9	1	10	0	299	30	329	32	1	33	
2	Electrical &	12	2	14	0	395	56	451	128	18	146	
3	Building & Civil	5	7	12	0	374	53	427	88	18	106	
6	Agriculture &	2	4	6	0	24	39	63	21	21	42	
7	Hospitality &	1	6	7	0	83	233	316	18	87	105	
8	Fashion Design &	0	6	6	0	24	152	176	0	9	9	
9	Computing &	9	1	10	0	197	143	340	32	32	64	
10	Business Studies &	2	10	12	0	49	87	136	10	25	35	
11	Liberal Studies	3	5	8	0	13	69	82	10	54	64	
	TOTAL	43	42	85	0	1458	862	2320	339	265	604	

During the period under review, the College has registered a total of 1,504 trainees who sat for the KNEC and TVET CDACC examinations/assessment within the period under review. The overall performance in the FY 2024/2025 KNEC examination/ assessment was mean performance of 58% of KNEC and 38% for TVET CDACC. This score was a drop from the previous score, prompting for more effort to be put in since this was a result below the national average. Thorough analysis was done, after which clear strategies were put in place to mitigate against poor performance in future.

The office of the Registrar and the Dean of Trainees facilitated about 532 trainees who sought the services of HELB loan and Government Scholarship application. The Dean's office also facilitated and supported different worship groups including Christian Union, SDA, YCS, and Muslim community among others.

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The Kasarani TVC officially engaged with The Amara Charitable Trust to assess the level of engagement and explore new areas of collaboration. The organisation appreciated the service the sponsored trainees are getting from Kasarani TVC.

Kasarani TVC's compliance with statutory requirements

The Institution has ensured compliance with the relevant statutory obligations as outlined in the Constitution of Kenya 2010, Technical and Vocational Training (TVET) Act 2013, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 and the Regulations of 2020 among other legal requirements. The College also filed and remitted to Kenya Revenue Authority (KRA), NSSF, NHIF and HELB statutory deductions on behalf of our employees as required by law. We have also adhered to all the laws and regulations at all cost hence the College has no court cases and any litigations issues.

Key projects and investment decisions Kasarani TVC is planning/implementing.

During the reporting period for the FY 2024/2025, the Board of Governors was able to devise and identify key projects that need to be implemented using internally generated revenue and capitation grants to ensure continuity and avoid a scenario where we would have to shut our doors to prospective trainees. These developments and their levels of achievement has been summarized as follows:

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PROJECT IMPLEMENTATION MATRIX FOR THE FY 2024/2025

	Project	Total project Cost	Total budget Allocated for the year	Completion % to date	Budget Utilized	Sources of funds
1	Academic Complex	340,832,852	8,000,000.00	0%	4,000,000.00	GOK
2	Dean of Trainees' Office	2,000,000.00	2,000,000.00	100%	2,000,000.00	GOK
3	Trainers Toilet	400,000.00	400,000.00	100%	400,000.00	GOK
4	Trainees Toilet	500,000.00	500,000.00	100%	500,000.00	GOK
5	CCTVs	350,000.0	350,000.0	0	350,000.0	GOK
6	College Gate	2,000,000.0	2,000,000.0	0	1,000,000.0	GOK
7	Solar Power Back-up	2,500,000.0	2,500,000.0	0	1,500,000.0	GOK
8	Solar Flood Lights	200,000.00	200,000.00	0	200,000.00	GOK
		15,950,000	15,950,000		11,950,000	

Major risks facing Kasarani TVC

The Institution, like many others, has faced risks during its lifetime. During the year, the College faced economic risks due to the shocks caused by late disbursement of capitation funds forcing the management to shore up as much cash flow as possible to be able to meet its ongoing operations, pay salaries to staff and meet its obligations to its creditors.

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The Institution identified areas that could lead to fraud risks and tightened internal controls. This has reduced operational risk that is associated with flawed or failed processes, policies, systems or events hence minimal employee errors and no criminal activities.

The liquidity risks were because of undisbursed capitations funds, non-remittance of HELB loans and bursaries to the trainees in time. This has resulted to an accrual of debts to the institution not being able to pay its short-term financial obligations.

The audit committee and the internal audit department have developed a risk-management framework that is enshrined in the institution audit policy to mitigate all the risks that may arise from its activities. This framework is key for the continuity and sustainability of the College as a going concern and as a result, it has promoted credit worthiness and suppliers' confidence.

Material arrears in statutory/financial obligations

The increased admissions of trainees alongside non-disbursement of capitation & scholarship and payment of fees in time has increased our debtors significantly although we are confident of recovering these debts thus there is little provision of bad debts in our financial statements. However, the College received capitation funds and scholarship at the end of the quarter and hence settled all pending bills by the close of the financial year. In view of the above, the management envisions a brighter future where more will be done to continue growing the institution.

Kasarani TVC's financial probity and serious governance issues

The Board of Governors has always provided oversight and guided policy formulation for efficient management of the College activities. Members have always provided any assistance that has been asked of them by the Management team and have ably advised on policies and growth strategies for the betterment of the Institution.

The Board is also keen on enhancing the growth of the College and through Performance Contracting where several strategies were passed. This includes marketing the College as well as introducing and streamlining various courses in the institution. The Board has enhanced training through allocation and approval of funds to procure training materials and equipment for various

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programs. That has enabled such targeted courses to thrive and attract more trainees especially hospitality, ICT and Civil Engineering courses that are in demand based on the number of inquiries recorded at the College. The Board also approved the mounting of other CBET courses in line with the Government's directive of facing out KNEC courses.

So far, there have been no cases of conflict of interest or ethical misconduct as the Board remains united in delivering its mandate of ensuring Kasarani Technical and Vocational College grows to be one of the leading Technical Institutions in the Country. This has been occasioned by good governance and focused leadership guided by the top management.

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10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Kasarani Technical and Vocational College (Kasarani TVC) is committed to a sustainability strategy that aligns with both national goals and international best practices. As the Accounting Officer, I recognize the importance of incorporating sustainable efforts into all aspects of the College's operations. Kasarani TVC has prioritized energy efficiency, waste reduction, and community engagement through initiatives like tree planting and market cleaning. Broad political and macroeconomic trends, including government policies on green energy and the push for a circular economy, have shaped our sustainability priorities. Internationally, Kasarani TVC benchmarks its practices against Sustainable Development Goals, focusing on quality education and climate action. Key achievements include successful implementation of water-recycling technologies and environmental conservation activities, though challenges remain in scaling up these efforts due to limited funding. Nonetheless, Kasarani TVC remains dedicated to further embedding sustainability into its core operations and strategic planning.

Environmental performance

Kasarani Technical and Vocational College (Kasarani TVC) is guided by a comprehensive Environmental Policy aimed at minimizing its ecological footprint and promoting sustainable practices. This policy emphasizes responsible resource use, pollution prevention, and environmental education, aligning with Kenya's National Environmental Management Authority (NEMA) regulations. Evidence of the policy is seen in Kasarani TVC's initiatives, such as tree planting drives, water conservation programs, and wastewater recycling operations. Successes include improved waste segregation and the adoption of renewable energy sources like solar power. However, challenges remain, particularly in scaling waste management solutions and reducing plastic use. To manage biodiversity, Kasarani TVC has preserved green spaces and engaged in local reforestation efforts. Its waste management policy promotes recycling, proper disposal, and reducing landfill use. Additionally, efforts to reduce environmental impact include minimizing paper usage, using eco-friendly materials in construction, and transitioning to sustainable energy practices across the college.

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Employee welfare

Kasarani Technical and Vocational College (Kasarani TVC) has a robust Human Resource Management Policy that ensures fairness and inclusivity in its hiring processes, taking into account gender balance to promote diversity. The college aims for equitable representation of both genders in all departments, ensuring equal opportunities for all applicants. The hiring process involves stakeholder engagement, including consultations with staff, management and the Board, and policies are reviewed regularly to align with evolving best practices. To improve staff skills and manage careers, Kasarani TVC offers continuous professional development programs, mentorship opportunities, and career progression pathways. An appraisal and reward system based on performance evaluations recognizes outstanding employees with promotions, recommendations, commendation letters, and awards. Kasarani TVC adheres strictly to the Occupational Safety and Health Act (OSHA) of 2007, ensuring that all employees work in safe, compliant environments. Regular safety audits, training on safety protocols, and the provision of necessary protective equipment demonstrate the college's commitment to workplace safety and compliance with OSHA standards.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Kasarani Technical and Vocational College (Kasarani TVC) upholds responsible marketplace practices by promoting fair competition, transparency, and ethical conduct. Kasarani TVC adheres to anti-corruption policies, ensuring zero tolerance for bribery or misconduct in all operations, and avoids political bias, engaging responsibly with government stakeholders. In terms of fair competition, the college respects its peers in the education sector, ensuring mutual respect and compliance with regulatory standards. Kasarani TVC maintains strong supplier relationships by honouring contracts, paying suppliers as per the service charter, and promoting ethical procurement practices, fostering trust and long-term partnerships.

In marketing, Kasarani TVC follows ethical practices by providing accurate information about its programs, ensuring transparency, and avoiding misleading advertisements. As part of its product

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stewardship, the institution prioritizes the rights of trainees by delivering high-quality training, protecting their data, and offering reliable trainee support services. Additionally, Kasarani TVC actively promotes education, sports, healthcare, and staff training while participating in community initiatives like tree planting and sanitation projects, which reflect its broader commitment to societal well-being.

b) Responsible Supply chain and supplier relations

Kasarani Technical and Vocational College (Kasarani TVC) maintains good business practices and treats its suppliers responsibly by adhering to key ethical, legal, and operational principles that foster trust, fairness, and long-term partnerships. Contracts are carefully drafted with well-defined terms, conditions, and expectations, allowing both parties to fully understand their rights and responsibilities from the outset. Once agreements are in place, the organization demonstrates a strong commitment to honouring the terms. This includes adhering to agreed timelines, meeting deliverables, maintaining expected quality standards, and respecting the pricing set out in the contract.

In addition to fulfilling contractual obligations, the organization has established mechanisms for effective dispute resolution. Should any issues arise, they are addressed promptly and fairly, with solutions sought in accordance with the terms of the agreement. This proactive approach helps to build trust, maintain positive supplier relationships, and uphold the integrity of the procurement process.

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

Responsible marketing and advertisement, as well as responsible engagement with citizens, are both crucial elements in building trust, promoting ethical behaviour, and ensuring the long-term success of any organization or government. However, when considering their broader societal impact, responsible engagement with citizens tends to carry a deeper and more lasting influence. Responsible engagement with citizens goes beyond simply providing information—it involves actively listening, responding to concerns, and involving the public in decision-making processes. This form of engagement is rooted in transparency, accountability, and mutual respect. It encourages civic participation through public barazas, strengthens democratic processes, and

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ensures that policies and initiatives reflect the real needs and values of the community. Positively engagement creates a responsibly synergy with the public fosters inclusion and helps build a more equitable and just society.

On the other hand, responsible marketing and advertisement focus on promoting Kasarani TVC products or services truthfully and ethically. This includes avoiding false claims, respecting cultural sensitivities, and not exploiting vulnerable populations. While this is essential to consumer protection and brand integrity, its impact is often more transactional and limited to the marketplace. Ultimately, although both areas are important, responsible engagement with citizens has a broader societal reach. It plays a pivotal role in shaping public discourse, building community trust, and ensuring that institutions remain aligned with the people they serve.

d) Product stewardship or Awareness Creation

Efforts to safeguard consumer and citizen rights focus on protecting their health, safety, and access to accurate information. For consumers, this includes ensuring product safety, clear labelling, dispute resolution mechanisms, and strong data and privacy protection. For citizens, safeguarding efforts involve providing accessible information on public services like NHIF, NSSF, and legal documents such as IDs and passports, ensuring fair access to utilities, upholding rights such as legal representation, peaceful protest, and whistle-blower protection, as well as secure handling of personal data. Overall, these efforts aim to promote transparency, accountability, and trust between institutions and the public.

Corporate Social Responsibility / Community Engagements

In line with its commitment to community development and environmental conservation, Kasarani Technical and Vocational College (Kasarani TVC) conducted several impactful Corporate Social Responsibility (CSR) activities in Kamulu during the FY 2024/25. These initiatives aimed to improve the local environment, promote sustainability, and foster community well-being.

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National Tree Growing and Restoration Campaign initiatives

As part of the College's commitment to environmental conservation and combating climate change, Kasarani TVC is continue to implement the National Tree Growing and Restoration Campaign initiatives. During the reporting period, the College participated in a tree planting initiative in the Kinale Community organized by the Kenya Forest Service in collaboration with Kiambu National Polytechnic. Out of the 6225 trees planted, Kasarani TVC planted a total of 1000. Kasarani TVC sought to promote environmental stewardship

The tree growing initiative contributed to reforestation efforts, improving air quality, reducing soil erosion, and enhancing the local biodiversity. The project also served as an educational experience for trainees and community members, raising awareness about the importance of environmental conservation.

Kamulu Market Cleaning Exercise

In the spirit of celebrating, the World Environment Day 2024 Kasarani TVC participated in a community market cleaning drive at Kamulu Market. This activity, conducted in partnership with local traders and NGOs, focused on land restoration, desertification, and drought resilience under the slogan "our land our future". Kasarani TVC provided cleaning equipment and mobilized trainees and staff to work alongside market vendors to clear waste, sweep the market area, and sensitize the public on proper waste disposal practices.

The market cleaning drive significantly improved the sanitary conditions of Kamulu Market, benefiting hundreds of traders and customers by creating a cleaner, safer shopping environment. The initiative also fostered a sense of community ownership and responsibility for maintaining public spaces.

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11. Report of the Board of Governors

The Board members submitted their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Kasarani TVC's affairs.

Principal activities

The principal activities of Kasarani TVC continue to be offering training as per the TVET Act 2013.

Results

The results of Kasarani TVC for the year ended June 30 are set out on page 1 to 6.

Board of Governors

The members of the Board who served during the year are shown on page xii to iv. During the year 2024/25, the term of the current board was appointed with effect from 12th February 2024 and are serving to date. Therefore, none of the board member was appointed or retired in the period under review.

Auditors

The Auditor General is responsible for the statutory audit of Kasarani TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....

Secretary of the Board

Nairobi

Date: 31/10/2025

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

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to:

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

- a) Ensure that Kasarani TVC keeps proper accounting records, which disclose with reasonable accuracy the financial position of the College,
- b) Safeguard the assets of Kasarani TVC.

The Board members accept responsibility for Kasarani 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 *the TVET Act*). The Board members are of the opinion that Kasarani TVC's financial statements give a true and fair view of the state Kasarani TVC's transactions during the financial year ended June 30, 2025, and of Kasarani TVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Kasarani TVC, which have been relied upon in the preparation of Kasarani 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 Kasarani TVC's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that Kasarani 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

Kasarani TVC's financial statements were approved by the Board on 29/08/ 2025 and signed on its behalf by:

.....


Name: Mr. John Kariuki Kamuiru
Chairperson of the Board

.....


Name: Ms. Josephine M. Begi
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 KASARANI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kasarani Technical and Vocational College set out on pages 1 to 58, which comprise of the statement of financial

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

In my opinion, except for the 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 Kasarani 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. Variances in the Financial Statements

The following variances were noted in the financial statements;

- i. The statement of changes in net assets reflects prior year's capital grant received balance of Kshs.639,613 while the 2023/2024 audited financial statements reflects nil balance resulting to an unexplained variance of Kshs.639,613.
- ii. Note 13 to the financial statements reflects property, plant and equipment depreciation expense amount of Kshs.8,044,538 instead of Kshs.7,920,788 as disclosed in Note 18 to the financial statements resulting to an unexplained variance of Kshs.123,750. Similarly, Note 13 reflects intangible assets amortization amount of Kshs.139,219 while Note 19 reflects amortization amount of Kshs.116,016 resulting to an unreconciled variance of Kshs.23,203.
- iii. Note 19 to the financial statements reflect amortization at the beginning and at the end of the year of Kshs.165,000 and Kshs.23,203 instead of Kshs.136,641 and re-casted amount of Kshs.48,984. Similarly, the end year amount of amortization and net book value balances of Kshs.25,781 and Kshs.5,340,781 respectively, are inaccurate.
- iv. The statement of financial performance reflects rendering of services, use of goods and services and repairs and maintenance amounts of Kshs.67,460,944, Kshs.68,103,510 and Kshs.2,555,583 respectively, which were not supported with journal entry vouchers and ledgers.
- v. The statement of financial position reflects current portion of receivables from exchange transactions, property, plant and equipment and intangible assets balances of Kshs.64,132,398, Kshs.339,855,975 and Kshs.5,340,781

respectively, which were not supported with supporting ledgers and journal entry vouchers.

- vi. The statement of comparison of budget and actual amounts reflects budget carryovers from previous year amount of Kshs.13,511,153 while the 2023/2024 audited financial statements reflects cash and cash equivalents balance of Kshs.12,483,476.
- vii. Note 18(b) to the financial statements reflects property, plant and equipment accumulated depreciation for buildings amount of Kshs.10,891,912 instead of the amount of Kshs.6,847,985 as reported in Note 18(a) resulting to an unexplained variance of Kshs.4,043,927.
- viii. The statement of changes in net assets reflects retained earnings and transfer of depreciation from capital fund balances of Kshs.27,829,111 and Kshs.6,918,845 respectively, which were not supported with ledgers or movement schedules.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Inconsistencies in Cash and Cash Equivalents

2.1 Inaccuracies in the Cashbook Opening Balances

The statement of financial position reflects cash and cash equivalents comparative balance of Kshs.12,483,476 while the corresponding Note 15 to the financial statements reflects a total balance of Kshs.12,783,476. The variance of Kshs,300,000 disclosed as cash in hand was not incorporated in the financial statements

2.2 Irregular Cash Withdrawals

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.4,738,472. Analysis of the cashbooks and bank statements for the bank accounts operated by the College revealed that a total amount of Kshs.2,637,000 in respect of cash withdrawals were made by the staff of the Institution. Management explained that the cash withdrawals were done as standing imprest to facilitate daily office operation. However, review of the memorandum cashbook for standing imprest revealed that imprest warrants with the details of the amount and the purpose of the standing imprest were not prepared and issued to the holders of the standing imprest as stipulated in the Institution's Finance Manual.

Further, standing imprest was irregularly used to procure items that were above the Kshs.50,000 threshold.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,738,472 could not be confirmed.

3. Irregularities in Property, Plant and Equipment

3.1 Misstatement of Non-Current Assets

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.339,855,975. Review of the property, plant and equipment movement schedule for the year under Note 18 reflects total additions of Kshs.24,367,388 which differs with the additions supporting schedule amount of Kshs.24,808,058 resulting to an unreconciled variance of Kshs.440,670.

Further, property, plant and equipment additions of Kshs.24,367,388 include payment vouchers totalling Kshs.17,657,690 relating to building materials. However, only materials totalling Kshs.16,316,188 were accounted for as work in progress resulting to an unexplained variance of Kshs.1,341,502.

3.2 Misclassification of Expenditure in Acquisition of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.339,855,975 which includes additions of Kshs.24,367,388. However, review of payment vouchers provided for audit revealed that expenditure totalling Kshs.3,032,340 in respect of teaching and learning materials, repair and maintenance, consultation fee and domestic subsistence's allowance were reclassified from property, plant and equipment balance and the adjustments were not supported with approved journal vouchers.

3.3 Discrepancies Between the Financial Statements and Notes to the Financial Statements

The statement of financial position reflects property, plant and equipment comparative net book value balance of Kshs.294,658,717 which differs with the corresponding Note 18 to the financial statements balance of Kshs.313,144,154 resulting to an unreconciled variance of Kshs.18,485,437.

3.4 Lack of Ownership Records

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.339,855,975. Included in the balance is land valued at Kshs.126,000,000. However, the College did not have any land ownership documents such as title deed or allotment letter to prove ownership of the land. In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.339,855,975 could not be confirmed.

4. Unsupported Intangible Assets

The statement of financial position and as disclosed in Note 19 to the financial statements reflects intangible assets balance of Kshs.5,340,781 which further includes addition of Kshs.600,000. The additions were supported with a payment voucher of Kshs.600,000

paid to a company as payment for the 3rd installment for supply, installation and configuration of e-citizen, bank integration portal server, human resource and payroll management modules. However, review of the procurement documents for supply, installation and configuration of the system modules for the contract entered into on 1 February, 2024 at a contract sum of Kshs.2,480,000 revealed the following anomalies;

- i. The terms of implementation and contract duration were not set out in the contract.
- ii. The payment made was not supported with an invoice.
- iii. Progress reports to show achievement of the milestones was not provided. It was therefore not possible to confirm the extent of milestone achievement against the payments made so far.
- iv. The contract did not include a warranty clause therefore exposing the College to risk of defects and poor performance of the system after implementation.

In the circumstances, the accuracy, completeness and value for money for the intangible assets balance of Kshs.5,340,781 could not be confirmed.

5. Inaccuracies in Employees Costs

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects an amount of Kshs.10,506,537 in respect to employee costs. However, review of payroll records reflects total staff cost of Kshs.10,012,919 resulting to an unreconciled variance of Kshs.493,618.

In the circumstances, the accuracy and completeness of employee costs amount of Kshs.10,506,537 could not be confirmed.

6. Misstatement of Receipts from Rendering Services

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects rendering of services - fees from trainees' amount of Kshs.67,460,944. However, review of the ledger revealed a total amount of Kshs.102,917,931 resulting to an unexplained variance of Kshs.35,456,987. Further, review of the summary of invoices report revealed students billing totalling Kshs.103,472,831 resulting to an unexplained variance of Kshs.36,011,886.

In addition, analysis of invoices revealed that rendering of services raised Kshs.67,865,094 as total invoices, while only Kshs.67,460,944 was reported as total revenue resulting to an unexplained and unreconciled variance of Kshs.404,150.

7. Variances in Budgeted Amounts

Review of the budget estimates provided by the College against the statement of comparison of budget and actual amounts revealed the following variances;

	Budget Estimates as at 30 June, 2025 (Kshs.)	Statement of Comparison of Budget and Actual Amounts as at 30 June, 2025 (Kshs.)	Variance (Kshs.)
Recurrent Expenditure Payments	116,716,927	121,069,408	(4,352,481)
Capital Expenditure Payments	39,534,386	35,091,904	4,442,482

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.156,161,312 and Kshs.120,290,825 respectively, resulting to under-funding of Kshs.35,870,487 or 23% of the budget. Further, the College reviewed the budget downwards on 26 September, 2024 to Kshs.156,161,312. However, the reviewed budget was not signed by the Chairman of the Board and there was no evidence provided to indicate that the College submitted its supplementary estimates to the Cabinet Secretary of Education for approval.

The underfunding affected the planned activities of the College and may have impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Kasarani Technical and Vocational College in 2024/2025 revealed that the following matters remained unresolved;

	Financial Year	Audit Issue
1	2023/2024	Presentation and Inaccuracies in the Financial Statements
	Financial Year	Audit Issue
2	2023/2024	Unsupported Balances
3	2023/2024	Misstatement of Revenue
4	2023/2024	Discrepancies in Cash and Cash Equivalents
	Financial Year	Audit Issue
5	2023/2024	Long Outstanding Receivables from Exchange Transactions
6	2023/2024	Non-Compliance with Laws on Standing Imprest
7	2023/2024	Irregular Opening of Bank Accounts
8	2023/2024	Lack of Land Ownership Documents
9	2023/2024	Un-Procedural Recruitment
10	2023/2024	Unsupported Remuneration of Board Members
11	2023/2024	Lack of Disaster Recovery Plan and Risk Management Policy
12	2023/2024	Lack of Annual Governance Audit and Performance Evaluation
13	2023/2024	Lack of Qualification in Audit Committee

Other Information

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

In connection with my audit on the Kasarani Technical and Vocational College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Annual Governance Audit and Performance Evaluation

Review of records at the College relating to Board activities revealed no evidence of the Board having undertaken an annual governance audit during the year under review. Management provided evidence of request for governance audit from State Corporations Advisory Committee (SCAC), however, the audit was not conducted in the year under review. The audit is expected to address governance practices including leadership and strategic management, transparency and disclosure, compliance with laws and regulations, Board independence and governance, consistent shareholder engagement and value enhancement among others.

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

2. Irregular Payment of Honoraria

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Board of Governor's expenses amount of Kshs.3,295,850. Review of payment vouchers presented for audit revealed that the College incurred an expenditure of Kshs.300,000 as Chairperson's honoraria. However, the College paid honoraria at a rate of Kshs.25,000 which differed with category three (3) of the Ministry of Education Memo on sitting allowance and other benefits for members of the Board of Governors of Technical and Vocational Colleges dated 6 December, 2024 that set monthly honoraria for the Chairperson as Kshs.20,000. Therefore, the College incurred an over expenditure of Kshs.60,000.

In the circumstances, Management was in breach of the Ministry guidelines.

3. Non-Compliance with Statutory Meeting Requirements

Review of the documents presented for audit revealed that the Board held five (5) full Board meetings in the year under review. However, Board workplan and the annual

budget for the Board expenses was not provided for audit review. Further, the Board meeting minutes were not signed by the Chairperson of the Board. In addition, Board notice for every meeting of the Board of Governors was not convened by giving at least fourteen days' notice in writing to every member. This was contrary to Section 11 of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which states that a Board of Governors shall meet at least once every four months and that, every meeting of the Board of Governors shall be convened by giving at least fourteen days' notice in writing to every member unless three quarters of the total members of a Board of Governors otherwise agree.

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

4. Failure to Adhere to 30% Rule for Procurements Allocated to Youth, People Living with Disabilities and Women

Review of procurement records for the year ended 30 June, 2025 revealed that the College did not allocate at least 30% of its annual procurement value to enterprises owned by youth, women and persons with disabilities as required by the law. Out of a total procurement value of Kshs.76,058,141, only Kshs.8,445,200 equivalent to 11% was awarded to such enterprises. This was contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 which requires all procurement and asset disposal planning to reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

5. Irregular Procurement for Construction of an Academic Block

The College placed a tender advertisement for proposed construction of an academic block in the month of April, 2025 and signed contract with a contractor at a contract sum of Kshs.277,332,851 for main works building and associated civil engineering works, a contract with another contractor at a contract sum of Kshs.26,332,644 for plumbing, drainage and fire protection installation works and a contract with a third contractor for electrical installation works at a contract price of Kshs.37,069,284. However, review of the procurement file revealed the following anomalies;

- i. Management initiated the procurement without confirming availability of funds.
- ii. The procurement was not included in the procurement plan for the year under review.
- iii. Review of appointment of evaluation committee revealed that the Accounting Officer appointed ten (10) members for the committee contrary to Section 46(4)(b) of the Public Procurement and Asset Disposal Act, 2015 which requires evaluation committees to consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments or their representatives.

- iv. The College engaged a consultant, however, there was no evidence the consultant was engaged through a procurement process. This was contrary to Section 46(4)(b) of Public Procurement and Asset Disposal Act, 2015 which states that the evaluation committee consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments or their representatives and where necessary, procured consultants or professionals, who shall advise on the evaluation of the tender documents and give a recommendation on the same to the committee within a reasonable time.
- v. The approved designs and drawings including engineers' estimates were not provided.

In addition, review of bid document of the main contractor revealed arithmetic error in the bill of quantities of Kshs.397,257 and therefore the bidder was non responsive and should not have been awarded. This was contrary to Regulation 74(2) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that any errors in the submitted tender arising from a miscalculation of unit price, quantity, subtotal and total bid price shall be considered as a major deviation that affects the substance of the tender and shall lead to disqualification of the tender as non-responsive.

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

6. Failure to Register as Data Processor or Data Controller

It was established that the College, despite collecting and processing personal information from students, parents, and staff, was not registered as a data controller or processor with the Office of the Data Protection Commissioner. This contravened the requirements of the Data Protection Act, 2019 and exposes personal data to risks without regulatory oversight.

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

7. Non-Compliance with the Public Procurement Capacity Building Levy Order of 2023

During the year under review, the College planned to procure goods, works and services with a total value of Kshs.76,058,141 according to the procurement plan. However, audit of procurement contracts for goods, works and services revealed that local purchase orders (LPOs) and local service orders (LSOs) issued after 1 September, 2024 did not include the mandatory 0.03% Public Procurement Capacity Building Levy as a separate line item and therefore the levy was not deducted for all contract awards, contrary to the Public Procurement Capacity Building Levy Order, 2023. In addition, the procurement plan provided was not signed by the Board Chairperson.

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

8. Irregularities in Procurement of Teaching and Learning Materials

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.68,103,510 which further includes Kshs.9,561,827 relating to teaching and learning materials. However, review of payment records revealed the following anomalies;

- i. The procurement plan provided indicated open tender as the approved method of procurement, however, it was noted that the College procured the teaching and learning materials through request for quotations. There was no explanation on why the College deviated from the approved procurement plan.
- ii. For the procurement carried out during the year under review, the members who carried out tender opening, were the same members who carried out tender evaluation. This was contrary to Section 78(1) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to appoint a tender opening committee specifically for the procurement in accordance with the following requirements and such other requirements as may be prescribed; (b) at least one of the members shall not be directly involved in the processing or evaluation of the tenders.
- iii. Sampled payment vouchers amounting to Kshs.456,924 revealed that materials delivered were received in stores without being inspected and accepted contrary to Section 48(1) of the Public Procurement and Asset Disposal Act, 2015 which require an Accounting Officer to appoint adhoc inspection and acceptance committees to inspect, review, accept or reject the goods received to ensure compliance with the terms and specifications of the contract.

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

9. Irregular Payment for Small Works

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.339,855,975 which include additions of Kshs.24,367,388 which further includes Kshs.653,500 incurred in the construction of a toilet building in the College. A construction change order was entered into on 19 June, 2024 between the College and the contractor at a contract sum of Kshs.157,000 for the completion of the project. However, analysis of the ledger and the payment vouchers provided revealed that the contractor was paid Kshs.653,500 for the labour works for completion of the toilet. This amount was above the agreed contract sum for the project by Kshs.496,500.

Further, a construction change order was entered into on 19 June, 2024 between the College and the same contractor at contract sum of Kshs.950,000 for construction of the service bay and the dean's office building. The payment milestones highlighted on the order stated that twenty percent (20%) of the contract sum was to be paid upon final completion and handing over approval by the contractor. However, the service bay was not complete as at the time of audit in September, 2025 and the contractor had already

been paid Kshs.820,000 which was more than the highlighted payment schedule in the signed construction order. In addition, physical verification of the project carried out in September, 2025 revealed that the contractor was not on site and the service bay remained incomplete.

In the circumstances, the propriety and value for money for the expenditure could not be confirmed.

10. Lack of WIBA Insurance and Staff Medical Insurance Policy for Employees

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.68,103,510 which further includes insurance expenses of Kshs.464,789. During the year under review, Management did not procure Work Injuries Benefit Insurance (WIBA) Policy for its employees. This was contrary to Section 7(1) of the Work Injuries Benefit Act, 2007 which requires every employer to obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

11. Failure to Insure the College Buildings

Management did not have insurance cover for the Institution's buildings to mitigate against losses in case of a disaster. This was contrary to Section 79(2)(c) of the Public Finance Management Act, 2012 which requires a public officer within his area of responsibility to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property including application of best effort to prevent any damage from being done to the financial interest of the College. Failure to secure insurance cover for College buildings exposes the Institution to potential losses and undermines the financial protection measures intended by the legislation.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Information Technology Steering Committee

It was noted that the College did not have in place Information Technology Steering Committee. The function of the Information Technology Steering Committee is to carry out the IT strategy and perform the day-to-day activities. Its responsibilities include managing spending, architecture and engineering of IT solutions, allocation of resources, project management and giving feedback to the Board about the strategy. The absence of the Steering Committee has resulted in gaps noted in information technology governance that might affect information technology management dispensing the department's mandate.

In the circumstances, the effectiveness of the internal controls in information technology management could not be confirmed.

2. Weaknesses in Payroll Management and Recruitment Process

2.1 Manual Payroll and Lack of Separation of Finance and Human Resource Functions

The College maintained a manual payroll prepared and maintained by the finance department. The payroll was prepared on excel spreadsheets without automation or integration with staff records and was not supported with adequate system controls. This increases the risk of errors, duplicate payments, ghost workers, and lack of audit trails. However, Management explained that they were in the process of creating a human resource department with qualified human resource officers.

2.2 Payment to Staff without Staff Numbers and Job Groups

Two staff members, who had no staff numbers and job groups, were paid salaries amounting to Kshs.35,525. In the absence of proper identification and designation, the legitimacy of the payments could not be confirmed.

In the circumstances, the effectiveness of the internal controls in human resource management could not be confirmed.

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

Responsibilities of the Management and the 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 also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2025

Kasarani 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

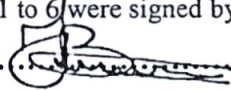
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non -Exchange transactions			
Transfers from other National Government entities	6	37,992,000	24,261,425
		37,992,000	24,261,425
Revenue from Exchange transactions			
Rendering of services- fees from trainees	7	67,460,944	55,704,219
Sale of goods	8	542,828	119,213
Miscellaneous income	9	783,900	280,004
Revenue from Exchange transactions		68,787,672	56,103,436
Total Revenue		106,779,672	80,364,861
Expenses			
Use of goods and services	10	68,103,510	47,547,136
Employee costs	11	10,506,537	12,242,209
Board of Governor's Expenses	12	3,295,850	2,417,000
Depreciation and amortization expense	13	8,183,757	6,510,845
Repairs and maintenance	14	2,555,583	1,142,510
Total Expenses		92,645,237	69,859,700
Net surplus/(deficit) for the year		14,134,435	10,505,161

(The notes set out on pages 7 to 43 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 6 were signed by:

.....

Chairman of Board

.....

Principal

.....

Finance Officer

Mr. John Kamuiru

Ms. Josephine M. Begi

ICPAK No; 29221 Josiah

Date: 29.08.2025

Date: 29.08.2025

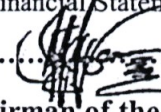
Date: 29.08.2025

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

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	4,738,472	12,483,476
Current portion of receivables from exchange transactions	16(a)	64,132,398	25,311,835
Inventories	17	1,181,851	1,078,194
Total Current Assets		70,052,720	38,873,505
Non-Current Assets			
Property, plant and equipment	18	339,855,975	294,658,717
Intangible assets	19	5,340,781	4,578,359
Total Non-current Assets		345,196,756	299,237,076
Total Assets (A)		<u>415,249,476</u>	<u>338,110,581</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	1,468,823	1,205,064
Current provisions	21	3,080,436	2,119,372
Total Current Liabilities		4,549,259	3,324,436
Non-Current Liabilities			
Total Non-current liabilities			
Total Liabilities (B)		4,549,259	3,324,436
Net Assets (A-B)		<u>410,700,217</u>	<u>334,786,145</u>
Represented By:			
Revaluation Reserves		295,545,765	295,545,765
Accumulated Surplus		80,564,314	38,600,767
Capital Fund		34,590,139	639,613
Net Assets		410,700,217	334,786,145

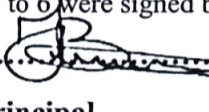
The Financial Statements set out on pages 1 to 6 were signed by:

.....


Chairman of the Board

Mr. John Kamuiru

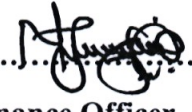
Date: 29.08.2025

.....


Principal

Ms. Josephine M. Begi

Date: 29.08.2025

.....


Finance Officer

ICPAK No; 29221 Josiah

Date: 29.08.2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2023 (<i>previous year</i>)	295,545,765	21,533,980		317,079,745
Revaluation gain			-	
Surplus/(deficit) for the year		10,505,161	-	10,505,161
Capital grants received during the year	-	-	639,613	639,613
Transfer of depreciation/amortisation from capital fund to	-	-	-	-
Retained earnings	-	6,561,626	-	6,561,626
At June 30, 2024	295,545,765	38,600,767	639,613	334,786,145
At July 1, 2024 (<i>current year</i>)	295,545,765	38,600,767	-	334,146,532
Revaluation gain			-	-
Capital fund during the year			27,671,294	27,671,294
Surplus/(deficit) for the year		14,134,435	-	14,134,435
Capital grants received during the year	-		-	-
Transfer of depreciation/amortisation from capital fund to			6,918,845	6,918,845
Retained earnings		27,829,111.27	-	27,829,111
At June 30, 2025	295,545,765	80,564,314	34,590,139	410,700,217

Note:

1. The retained of for the period 2023/2024 reported was ksh 6,558,471 which was only for operation account and excluded ksh 3,155 for the development account amounting to kshs 6,561,626 therefore the adjusted total earnings is kshs 6,561,626.
2. Prior year adjustments done have been shown at the beginning of the prior year.

Kasarani 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		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	37,992,000	24,261,425
Rendering of services- fees from trainees	7	68,415,382	55,704,219
Sale of goods	8	542,828	119,213
Miscellaneous income	9	783,900	280,004
Total Receipts		107,734,110	80,364,861
Payments			
Compensation of employees	12	10,506,537	12,242,209
Use of goods and services	11	71,187,046	47,547,136
Repairs maintenance and improvements	15	2,555,583	1,142,510
Board of Governors expenses	13	3,295,850	2,417,000
Total Payments		87,545,016	63,348,855
Net cash flows from operating activities		20,189,094	17,016,006
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	(28,007,338)	(11,094,157)
Net cash flows used in investing activities		(28,007,338)	(11,094,157)
Cash flows from financing activities			
Net cash flows used in financing activities			
Kasarani Tvc IGU Account 1225283817		70,084	-
Kasarani Tvc Development Account 1225283817		3,155.00	3,155.00
Net Increase/(Decrease) in Cash and Cash equivalents		(7,745,005)	5,921,850
Cash and cash equivalents at 1 July 2024	15	12,483,476	6,561,626
Cash and cash equivalents at 30 June 2025	15	4,738,471.93	12,483,476

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

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

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference	REMARKS
	Kshs	Kshs	budget				
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100	
Budget carryovers from the previous year*	-	-	-	13,511,153	(13,435,565)	-	
Receipts							
Transfers from other National Government entities	38,915,328	- 2,527,302	36,388,026	37,992,000	- 1,603,974	104	A
Rendering of services- fees from students	139,057,172	- 20,783,886	118,273,286	67,460,944	50,812,342	57	B
Sale of goods	500,000	-	500,000	542,828	- 42,828	109	C
Miscellaneous Income	1,000,000	-	1,000,000	783,900	216,100	78	D
Total Receipts	<u>179,472,500</u>	<u>23,311,188</u>	<u>156,161,312</u>	<u>120,290,825</u>	35,870,487	77	
Payments							
Use of goods and services	107,720,732	- 18,621,876	89,098,856	71,187,046	17,911,810	80	
Employee costs		-	21,398,590	10,506,537	10,892,053	49	
Board /Council Expenses	7,530,000	-	7,530,000	3,295,850	4,234,150	44	
Repairs and maintenance	3,907,850	- 865,888	3,041,962	2,555,583	486,379	84	
Total Expenditure Payments	140,557,172	- 19,487,764	121,069,408	87,545,016	33,524,392	72	
Capital Expenditure Payments	38,915,328	- 3,823,424	35,091,904	28,007,338	7,084,566	80	
Surplus	-	-	-	4,738,472	(4,738,472)	-	

Budget notes

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	13,511,153
1	Receipts	106,779,672
2	Total Receipts	120,290,825
3	Total Expenditure Payments	(87,545,016)
4	Capital Expenditure Payments	(28,007,338)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,738,472

1. Budget carryovers from the previous year* adjusted to take care of kshs, 3005,993 error of accrual accounting from the previous report.

	<i>Explanation of material variance</i>
	Movement is due to the changes in government policy on capitation funding to new funding model through government scholarship and
a)	Helb funding basis with a lot of resource mobilization to realize the funds.
b)	Movement is due to unrealized fees arrears from trainees funded by parents and other stakeholders like sponsors
c)	Movement is due to the picking up of Income generating activities that has to realize the target.
d)	Movement is due to budget cuts from various activities that were planned to have taken place for the period under review but did not pick up because of unrealized revenues as anticipated.

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

19. Notes to the Financial Statements

1. General Information

Kasarani Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Nairobi Country, Kenya. The entity's principal activity is to offer Technical, Vocational Education and 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 judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note one onwards. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *and Public audit Act, Kasarani TVC policies* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Kasarani 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 June 2025.

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard is not applicable to the college since it doesn't have any lease agreement.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p>The standard is not relevant since the college has not held any asset for sale.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure</p>

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	<p>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.</p> <p>The college had no heritage asset to be adopted only marinated the previous PPES in it books of account</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. This has been adopted to assist in evaluation of some of the assets previously not valued.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of</p>

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

	revenue and cash flow arising from revenue transactions. This was adopted and necessitated the accuracy and classification of all the revenues.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. This was adopted to indicate the expensed transfers that were not available within the period under review
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. This has been adopted accounted for as per the standards to the NSSF.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. This was not adopted since the college has no mineral hence irrelevant

Kasarani Technical and Vocational College
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iii. Early adoption of standards

Kasarani technical and vocational College did not early-adopt any new or amended standards in year 2022 the entity adopted standard 2022 and 2023. The impact of these standards on entity's financial statements is amend appropriately in the financial year 2024/2025

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Kasarani Technical and Vocational College
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Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on *26/06/2024*. 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. Accordingly, the entity recorded additional appropriations of *supplementary* on the FY 2024/2025 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule *first of the Income tax Act (470)*.

Kasarani Technical and Vocational College
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Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized

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

in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The entity recognizes biological assets when it has control over them as a result of past transactions or events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially

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and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual's research project is recognized as intangible assets only 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 when the development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

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Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

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Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

The *Institution* creates and maintains reserves in terms of specific requirements finance and procurement policies that are appropriately adopted

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the

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current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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

t) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it

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controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts

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of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 21.

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

BASED ON IPSAS-19						
BRACKET	0-90 DAYS	91-180 DAYS	181-270 DAYS	271-360 DAYS	ABOVE 360DAYS	720 DAYS and above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capititations	0%	0%	0%	0%	10%	100%
Government Capititations	0%	0%	0%	0%	0%	0%
Adopted from the National government provisions						

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	17,992,000	24,261,425.00
Operational Grant	20,000,000	
Other Grants	37,992,000	24,261,425
Total unconditional Grants		
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	37,992,000	24,261,425

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year 2024-2025	Comparative 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Vocational and Technical Training	37,992,000			37,992,000	24,261,425
Total	37,992,000			37,992,000	24,261,425

The details of the reconciliation have been included under appendix III

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7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	27,040,544	46,882,209
Activity Fees	5,880,860	
Industrial Attachment Fees	3,100,620	
Examination Fees	17,970,420	8,822,010
Library Fees	1,442,400	
Facilities And Materials	1,702,900	
Registration Fees	10,323,200	
Total Revenue from The Rendering Of Services	67,460,944	55,704,219

(The revenue from rendering of services is from the trainees fees paid by Helb, County, CDF, Sponsors and parents in conjunction with the examination fees paid for Knec examination sat in the month of November 2024, March and July 2025 respectively)

8. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Books-Log Books	263,000	80,810
Cafeteria sales	279,828	38,403
Total Revenue from Sale of Goods	542,828	119,213

9. Miscellaneous Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Graduation fees	674,000	0
Application fees	109,900	280,004.00
Total other income	783,900	280,004

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10. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	9,561,827	4,425,586
Industrial attachment costs	795,500	773,150
Electricity	676,450	563,731
Water	849,717	526,612
Security	1,390,708	1,361,964
Graduation Expenses	4,188,022	
Subscriptions-KUCCPS/KATTI	727,800	1,717,512
Advertising	5,012,061	2,379,500
Examination fees	11,605,730	8,822,010
Audit fees	-	300,000
Catering, conferences, and delegations	1,139,400	1,701,876
Travelling and accommodation	14,099,169	12,728,127
Insurance	464,789	
Performance contracting	2,037,800	476,260
Postage	9,500	
Printing and stationery	3,700,917	3,114,219
Students- activity, student id. Others, Insurance	5,087,798	5,410,742
other Administrative Expenses	-	282,031
Income Generating/ production Unit	214,654	200,000
Telephone expenses	646,708	908,500
Training expenses	2,800,756	1,847,352
Bank transactional charges	13,768	7,964
Impairment/ Provision for bad debts	3,080,436	-
Total good and services	68,103,510	47,547,136

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11. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	10,506,537	12,242,209
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		-
Overtime payments		
Social contributions		
Employee Costs	10,506,537	12,242,209

12. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	34,250	16,000
Board of Governors Emoluments and Allowances	1,842,250	1,360,100
Other Allowances	296,750	80,000
Other Board Training Expenses	1,122,600	960,900
Total director emoluments	3,295,850	2,417,000

13. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	8,044,538	6,469,595
Intangible assets	139,219	41,250
Investment property carried at cost		
Total depreciation and amortization	8,183,757	6,510,845

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14. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	2,208,589	983,488
Investment property – earning rentals		
Equipment and machinery	255,134	70,522
Vehicles		
Furniture and fittings		80,500
Computers and accessories	91,860	8,000
Total Repairs and Maintenance	2,555,583	1,142,510

15. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Kasarani TVC Operations Account 1225283809	4,649,973	12,389,743
Cash		-
Kasarani TVC Development Account 1225283817	3,155	3,155
Cash at Hand	15,260	300,000
Kenya Commercial bank 1316351254	70,084	90,578
Total cash and cash equivalents	4,738,472	12,783,476

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

Description		2024-2025	2023-2024
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1225283809	4,649,973	12,389,743
Sub- Total		4,649,973	12,389,743
b) On - Call Deposits			
Kenya Commercial Bank	1316351254	70,084	90,578.00
Sub- Total		70,084	90,578.00
c) Fixed Deposits Account			
Kenya Commercial Bank	1225283817	3,155	3,155.00
Sub- Total		3,155	3,155
e) Others (Specify)			
Cash in Hand		15,260	-
Mobile Money account			
Sub- Total		15,260	-
Grand Total		4,738,472	12,483,476

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student debtors	64,132,398	26,328,248
Staff Advances	-	300,000
Less: Impairment Allowance 5%		-
		1,316,412
Total Current Receivables	64,132,398	25,311,835

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16 (b) Long- term Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Refundable Deposits		
Less: Impairment Allowance		
Total	-	-
Current Portion Transferred to Current Receivables		
Total Non-Current Receivables		
Total Receivables	64,132,398	25,311,835

16 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	56,371,484	88	17,172,311	65
Between 1- 2 years	7,760,914	12	9,155,936	35
Between 2-3 years			-	-
Over 3 years			-	-
Total (a+b)	64,132,398	100	26,328,248	100.0

17. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	846,555	970,245
IGU STORES	65,174	5,702
Electrical stores	111,720	
Cleaning Materials stores	82,587	60,720
Catering stores	75,815	41,527
Total Inventories at lower of Cost and Net Realizable Value	1,181,851	1,078,194

This is the closing of the various items used by the trainees held in the store Evaluated at the average costing method at end of the period

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18. Property, Plant and Equipment

Description	Land	Buildings	Semi-Permanent Buildings (Classrooms)	Furniture and fittings	Computers and related equipment	Other Assets	equipment	equipment	Plant and equipment	Capital	Total
	Shs	Shs	Shs	Shs	Shs	Shs	firefighting equipment	Tank	Shs	Work in progress	Shs
Cost	0%	2%	5%	10%	25%	25%	15%	10%	2%	-	Shs
Opening Book Net Book value 2018	126,000,000	66,642,640	6,904,297	11,533,244	4,013,445	290,000	92,452	88,200	106,515,987	-	322,080,265
At 30 th June 2023	126,000,000	62,644,081	6,434,726	4,899,054	2,055,744	145,000	64,716	158,760	95,566,473	-	297,968,555
At 1 July 2023	126,000,000	63,976,934	3,816,436	4,986,461	2,843,989	217,500	78,584	79,380	98,455,884	-	300,455,169
Additions		4,593,035	-	924,647	400,000	-	-	-	6,250,461	520,842	12,688,985
Disposals		-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments		-	-	-	-	-	-	-	-	-	-
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	520,842	313,144,154
Additions											-
Disposals											-
Transfer/Adjustments											-
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	-	312,623,312
Depreciation And Impairment	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000
At 1 July 2023											-
Depreciation	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401		11,495,000
Impairment											-
At 30 June 2024	-	3,998,558	469,571	621,393	1,957,701	145,000	27,736	17,640	4,257,401	-	11,495,000
Depreciation	-	1,424,713.49	345,214.85	1,245,789.10	1,103,361.25	72,500.00	13,867.80	8,820.00	2,255,328.96		6,469,595
Disposals											-
Impairment											-
Transfer/Adjustment											-
At 30 th June 2024	-	5,423,272	814,786	1,867,182	3,061,063	217,500	41,603	26,460	6,512,730		17,964,595
Net Book Values	126,000,000	63,146,697	3,001,650	4,043,927	182,927	-	36,981	52,920	98,193,615	-	294,658,717
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	520,842	313,144,154
At 30 th June 2024	126,000,000	63,146,697	3,001,650	4,043,927	182,927	-	36,981	52,920	98,193,615	-	294,658,717

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Additions				3,337,065	2,111,027				-	2,603,108	16,316,188	24,367,388
Disposals												-
Transfer/Adjustments					2,749,950						553,956	3,303,906
At 30 th June 2025	-	-	-	3,337,065	4,860,977	-	-	-	2,603,108	-	-	10,801,150
Depreciation And Impairment												-
At 1 July 2024												-
Depreciation	-	5,423,272	814,786	1,867,182	3,061,063	217,500	41,603	26,460	6,512,730			17,964,595
Impairment												-
At 30 June 2025	-	5,423,272	814,786	1,867,182	3,061,063	217,500	41,603	26,460	6,512,730	-		17,964,595
Depreciation	-	1,424,713.49	345,214.85	1,539,291.08	2,100,014.63	72,500.00	13,867.80	17,640.00	2,407,546.46			7,920,788
Disposals												-
Impairment												-
Transfer/Adjustment												-
At 30 th June 2025	-	6,847,985	1,160,000	3,406,473	5,161,077	290,000	55,471	44,100	8,920,277	-		25,885,384
Net Book Values												-
At 30 th June 2025	-	6,847,985	1,160,000	-	-	-	-	-	-	-		-
At 30 th June 2025	126,000,000	64,387,689	8,566,683	12,820,704	4,294,495	-	36,981	132,300	106,746,979	16,870,144		339,855,975
At 30 th June 2024	126,000,000	68,569,969	3,816,436	5,911,108	3,243,989	217,500	78,584	79,380	104,706,345	520,842		313,144,154
<i>Work In Progress: Making of temporary exterior Classrooms</i>												

Note:

Some of the donated equipment's such as the sewing machines and other equipment's will be revaluated and adjusted in the final financial statement

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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 information provided by the ministry professional values on the schedule of items donated to various college. These amounts were adopted in the financial statements on 12th January 2022

(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	126,000,000	-	126,000,000
Buildings	75,279,601	10,891,912	64,387,689
Semi- Permanent Buildings (Mabati Structures)	9,726,683	1,160,000	8,566,683
Plant and machinery	115,667,256	8,920,277	106,746,979
Office equipment, furniture, and fittings	16,227,177	3,406,473	12,820,704
Computers and related equipment	9,455,572	5,161,077	4,294,495
CCTV	290,000	290,000	-
Firefighting equipment	92,452	55,471	36,981
Tank	176,400	44,100	132,300
Work in progress	16,870,144	-	16,870,144
Total	369,785,285	29,929,310	339,855,975

NB: CCT will be re-evaluated to provide the residual

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19 Intangible Assets

Description	2024-2025		2023-2024	
	Kshs		Kshs	
At beginning of the year	4,715,000		1,565,000	
Additions	600,000		3,150,000	
Cost end of the year	5,315,000		4,715,000	
Amortization and impairment				
At beginning of the year	165,000		95,391	
Amortization	116,016		41,250	
Amortization at end of the year	23,203		136,641	
Less :Impairment loss	-		-	
At end of the year	25,781		4,578,359	
NBV	5,340,781		4,578,359	

20. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	1,468,823		1,205,064	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	1,468,823		1,205,064	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	1,468,823	100%	1,468,823	100
1-2 years	-	-	-	-
Total (to tie to totals above)	1,468,823	100%	1,205,064	100

This is the pending payment from suppliers who were not paid at the end of the fiscal year under review due to the challenges of adequate funds. However, the board dis committed to pay them in the first quarter of the subsequent fiscal year.

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21. Current Provisions

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance at the beginning of the year	3,080,436	1,831,187
Additional Provisions		288,185
Less Provision utilised		
Less Change due to discount and time value for money		
Transfers from non -current provisions		
Total provisions	3,080,436	2,119,372

Description	0-90DAYS	91-180DAYS	181-270DAYS	271-360DAYS	ABOVE 360DAYS	TOTAL
Trade Receivables	19,745,048.77	18,983,654.74	12,313,959.15	5,328,820.95	7,760,913.91	64,132,397.52
Rate in %	0	0.02	0.05	0.1	0.2	
Provisions	-	379,673.09	615,698	532,882	1,552,183	3,080,436

Note:
BASIS OF PROVISION FOR DOUBTFUL DEBTS

BASED ON IPSAS-19

BRACKET	0-90DAYS	91-180DAYS	181-270DAYS	271-360DAYS	ABOVE 360DAYS	361 Days and Above
Corporates e.g. APA, CIC, Individual etc.	0%	2%	5%	10%	20%	100%
Government clients e.g. NCC, NHIF, KRA etc.	0%	2%	5%	10%	20%	100%
Corporate Capititations	0%	0%	0%	0%	10%	100%
Government Capititations	0%	0%	0%	0%	0%	0%

Adopted from the National government provisions

Description	Leave provision	Bonus provision	Bad Debtors provision	Total		
	KShs	KShs	KShs	KShs		
Balance at beginning of the year/ period	-	-	1,552,183	1,552,183		
Additional Provisions for the period	-		1,528,253	1,528,253		
Provision utilised during the period	-		-	-		
Change due to discount and time value for money	-		-	-		
Transfers from non -current provisions	-		-	-		
Total provisions as at end of year/ period			3,080,436	3,080,436		

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22. CASH GENERATED FROM OPERATIONS

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	14,134,435	10,505,161
Adjusted for:		
Depreciation	8,183,757	6,510,845
Non-cash grants received		
Contributed assets	27,717,338	12,688,985
Impairment		
Contribution to provisions	3,080,436	2,119,372
Contribution to impairment allowance	-	1,316,412
Working Capital adjustments		
	-	-
Increase in inventory	103,657	7,234
	-	-
Increase in receivables	33,086,973	16,237,701
Increase in payables	263,759	120,165
Net cash flow from operating activities	20,189,094	17,016,006

23. Employee Benefit Obligations

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by the NSSF while employees are the custodians of the scheme. The scheme is based on a negotiated percentage of salary of an employee at the time of retirement.

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Employees contribute 50% while employers contribute 50% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

24. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	25,311,835	25,311,835	-	-
Receivables from non-exchange transactions			-	-
Bank balances	12,483,476	12,483,476	-	-
Total	37,795,311	37,795,311	-	-
At 30 June 2025			-	-
Receivables from exchange transactions	64,132,398	64,132,398	-	-
Receivables from non-exchange transactions			-	-
Bank balances	4,738,472	4,738,472	-	-
Total	68,870,870	68,870,870	-	-

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

Financial risk management (continued)

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

The 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,

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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 3 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables		1,205,064		1,205,064
Current Portion Of Borrowings			-	
Provisions		2,119,372	-	2,119,372
Deferred Income			-	
Employee Benefit Obligation			-	
Total		3,324,436	-	3,324,436
At 30 June 2025 (current year)				
Trade Payables		1,468,823		1,468,823
Current Portion Of Borrowings			-	-
Provisions		3,080,436	-	3,080,436
Deferred Income			-	-
Employee Benefit Obligation			-	-
Total		4,549,259	-	4,549,259

(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.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign

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exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	14,134,435	10,505,161
Capital Reserve	382,871,106	334,786,145
Total Funds	397,005,541	345,291,305
Total Borrowings		
Less: Cash and Bank Balances	- 4,738,472	- 12,783,476
Net Debt/(Excess Cash and Cash Equivalents)	4,738,472	12,783,476
Gearing	-	-

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;

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- iii) Key management;
- iv) Board of directors;
- v) Other Ministries, Departments and Agencies;
- vi) County Governments;

Description	2024-2025	2023-2024
Transactions with Related Parties	Kshs	Kshs
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others (<i>specify</i>)		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc	676,450	563,731
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies	2,800,756	1,847,352
Others (<i>specify</i>)		
Total	3,477,206	2,411,083
b) Grants /Transfers from the Government		
Grants from National Govt	37,992,000	24,261,425
Grants from County Government		
Donations in Kind		

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Total	37,992,000	24,261,425
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for BOG Employees	10,506,537	12,242,209
Payments for Goods and Services for periods	68,103,510	47,547,136
Total	78,610,046	59,789,345
d) Key Management Compensation		
Directors' emoluments	3,295,850	2,417,000
Compensation to Key Management		
Total	3,295,850	2,417,000

26. Events After the Reporting Period

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

27. 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.

28. Currency

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

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29. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AUDIT QUERY AND RESPONSE REPORT ON THE FINANCIAL STATEMENT REPORTS FOR THE FY 2023-2024				
1. Presentation and Inaccuracies in the Financial Statements	<p>Review of the financial statements revealed the following errors and omissions;</p> <p>i. Management discussion and analysis on page xxix on the project implementation matrix for the year 2023/2024 revealed that the College procured and installed ten (10) additional CCTVs amounting to Kshs.150,000. However, the current status of physical completion indicated Nil completion.</p> <p>ii. The statement of changes in net assets reflects a revaluation gain amounting to Kshs.317, 722,513 which was not supported with schedules and relevant documents. Further, the prior year deficit of Kshs.98, 364 has been omitted under</p>	<p>a) (i) The project was not done but the wording used is a performance contracting language hence status is Nil.</p> <p>b) Roman (ii) to (iv) has been amended in the financial statements</p> <p>c) Roman (v) Is derived from the e college finance policy</p> <p>d) Kshs 313,144,154 is the historical cost of the PPE while 294,658,717 is the net book values after</p>	Resolved	17/07/2025

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	<p>accumulated fund. In addition, the accumulated surplus balance of Kshs.17, 063,632 includes an amount of Kshs.6, 558,471 which was not explained or supported.</p> <p>iii. The statement of changes in net assets reflects accumulated fund amounting to Kshs.17, 063,632. However, re-computation shows total accumulated fund of Kshs.38, 597,612 resulting to an unexplained variance of Kshs.21, 533,980. In addition, the statement reflects accumulated fund of Kshs.17, 063,632 while the statement of financial position reflects a balance of Kshs.17, 066,787 resulting to an unexplained variance of Kshs.3, 155. Similarly, the statement reflects revaluation reserve of Kshs.317, 722,513 while the statement of financial position reflects Kshs.317, 719,358 resulting to an unexplained variance of Kshs.3, 155.</p> <p>iv. The statement of cash flows reflects a net cash outflow from investing activities amount of Kshs.11, 094,157. However, review of additions of property, plant and equipment and intangible assets reveal that the College made additions in the year under review amounting to Kshs.12,688,985 and Kshs.3,150,000 respectively totalling to Kshs.15,838,985 resulting to an unexplained variance of Kshs.4,744,828 which is not reflected in</p>	<p>depreciation and amortization hence ksh 18, 485,437 is as a result of accumulative depreciation</p> <p>e) It's worth noting that the documents have been provided as the attached evidence and incorporated in the financial statement of the 2023/2024 report and shared to the office of the auditor general</p>		
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	<p>trade payables balance of Kshs.1,205,064 or in the statement of cash flows.</p> <p>v. The basis for rate used for computation of the current provision was not provided for audit review.</p> <p>vi. The statement of financial position reflects property, plant and equipment balance of Kshs.294,658,717 which differs with net book value balance reported in Note 18 to the financial statements of Kshs.313,144,154 resulting to unexplained variance of Kshs.18,485,437.</p> <p>In the circumstances, the accuracy and presentation of the financial statements could not be confirmed.</p>				
2. Unsupported Balances					
2.1 Rendering of Services - Fees from Trainees	<p>The statement of financial performance and as disclosed in Note 7 to the financial statements reflects rendering of services - fees from trainee's amount of Kshs.55,704,219. Included in the amount is Kshs.46,882,209 and Kshs.8,822,010 in respect of tuition fees and examination fees respectively, which were not supported with fees payment policy, schedule of invoices and receipts during the year, list of trainees under the Kenya Universities and Colleges Central Placement Service (KUCCPS), self-sponsored trainees and capitation per trainee. Further, the revenue was not supported with a schedule of revenue collected per revenue stream; tuition fees, activity, and</p>	<p>The management wishes to support the amount with the schedule for the same for your review.</p>		Resolved	18/07/2025

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	registration fees including examination fees collected per department.			
2.2 Trade and Other Payables	The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1, 205,064 as disclosed in Note 21 to the financial statements. However, the balance was not supported with ageing analysis report, purchase requisitions, supply contracts and delivery notes.	<ul style="list-style-type: none"> a) The schedule for the ageing analysis has been shared for review report to the OAG' office. b) A sample of the purchase requisitions and supply contracts and delivery notes has been shared. 	Resolved	30/09/2025
2.3 Property, Plant and Equipment Additions	The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.294, 658,717. During the year under review, the College acquired additional assets totalling Kshs.12, 688,985 which includes additions totalling Kshs.6, 446,103 that were not supported with payment vouchers and procurement records.	<ul style="list-style-type: none"> a) The handing over of the building was and has not been well coordinated to the college but more engagements are underway for the supporting documents of the PPE. b) Board minutes for the board Refer annex iii c) The additional assets added schedules has been shared for the 	Resolved	18/07/2025

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		office of the auditors for review.		
2.4 Inventories	<p>The statement of financial position and as disclosed in Note 17 to the financial statements reflects inventories balance of Kshs.1, 078,194. However, the following anomalies were noted;</p> <p>i. The inventories balances were not supported with stores records which include details of the items received, issues from the stores and details of items held in stock. Further, a summary of inventory movement during the year indicating opening balance at the beginning of the year, additions during the year and the closing balance were not provided for audit verification.</p> <p>ii. Management did not provide quarterly and annual reports on inventory and stock take.</p> <p>iii. Management had not developed an Inventory Policy to guide on inventory management, stores and optimum stock levels.</p> <p>Physical verification carried out in the month of February, 2025 revealed that some items such as printer cartilages and a printer had been left to deteriorate in the store and Management did not keep their records.</p>	<ul style="list-style-type: none"> • The inventories balance of Kshs. 1,078,194 has been supported with stores records for your review valued as per the weighted average market cost at the end of the period under review. • All the library equipped with learning materials and text books are accounted under the property plant and equipment items and the equipment item line and the inventory management policies is work in progress. However, we have attached the draft for your review meanwhile the college has adopted 	Resolved	17/08/2025

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	<p>iv. Inspection of facilities revealed that the College had a library equipped with learning materials and text books. However, the value of the learning materials and text books was not included in the inventory balance.</p> <p>The College did not prepare an annual disposal plan for items declared obsolete.</p>	<p>the PPRA 2015 for the guidelines.</p> <ul style="list-style-type: none"> • The Purchase of an ERP system with an inventory module aid the process 		
<p>2.5 Use of Goods and Services</p>	<p>The statement of financial performance and as disclosed in Note 10 to the financial statements reflects use of goods and services amount of Kshs.47, 547,136. Included in the expenditure is training expenses amount of Kshs.1, 847,352, trainees' activities expenses of Kshs.5, 410,742 and internet expenses of Kshs.600, 000. However, payments totalling Kshs.1,473,450, Kshs.2,683,600 and Kshs.600,000 respectively were not supported with relevant documents including training approvals, requisite procurement documents, the advertisement, tender opening minutes and register, tender evaluation committee reports, letters appointing both opening and evaluation committee and evidence of regret letters sent to the unsuccessful bidders.</p> <p>In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.</p>	<p>The management wishes to share:</p> <ul style="list-style-type: none"> (i) an updated list of the suppliers who the teaching and learning materials were procured from for audit review; (ii) Advertisement. (iii) Tender opening minutes and register. (iv) Tender evaluation committee reports, letters appointing both opening and evaluation committee and some of regret letters sent 	<p>Resolved3</p>	<p>30/06/2025</p>

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		<p>to the unsuccessful bidders.</p> <p>(v) Notification of award were for verification. Further, we have attached the inspections and acceptance committee members for your review</p>		
3. Misstatement of Revenue	<p>The statement of financial performance and as disclosed in Note 7 to the financial statements reflects rendering of services - fees from trainee's amount of Kshs.55, 704,219. Analysis of the receivables from exchange transaction balance in the statement of financial position reflects an increase of Kshs.12, 746,375 which, according to the supporting schedule provided for audit, related to the year under review and should have been accrued. However, the reported revenue did not include any accrued amount, resulting to understatement of revenue by Kshs.12, 746,375.</p> <p>In the circumstances, the accuracy and completeness of the revenue amount of Kshs.55, 704,219 could not be confirmed.</p>	<p>The Management has procured and ERP system going forward to ensure that all the records are properly maintained. Meanwhile, the amount is recognized as debtor from trainees as receivables from the exchange transactions.</p>	Resolved	30/06/2025
4. Discrepancies in Cash and Cash Equivalents	<p>The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash</p>	<p>This has been addressed by the bank reconciliation statement provided for</p>	Resolved	18/07/2025

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	<p>equivalents balance of Kshs.12, 483,476. However, analysis of the cashbook reflected a cashbook balance of Kshs.8, 428,448 resulting to an unreconciled and unexplained variance of Kshs.4, 055,028. Further, the College maintained a bank account with a bank balance of Kshs.3, 155 that had been dormant since the financial year ended 30 June, 2020 incurring bank charges. The bank reconciliation for this account was also not signed and approved by the Head of Finance. In addition, two bank accounts with reported balances of Kshs.3, 155 and Kshs.90, 578 respectively were not supported with bank statements.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,483,476 could not be confirmed</p>	<p>review for the variance of Kshs 4,355,028. Bank certificates provided for all the accounts. The bank account 1225283817 of kHz. 3,155 is money deposited to maintain the account as this was a development account that was made to assist the institution to grow through development funds but has not been disbursed and the Kshs 300,000 has been recognized as receivables</p>		
<p>5. Long Outstanding Receivables from Exchange Transactions</p>	<p>Note 16(a) to the financial statements reflects current receivables from exchange transactions balance of Kshs.25, 311,835. Included in the balance are receivables amounting to Kshs.9, 155,936 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. Further, Management did not provide any evidence or measures taken to pursue debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the College are collected and banked.</p>	<p>The management has brought in other NGOs to assist in fees payment, set up an income generating activity through Jitume computer lap in the college that will assist trainees to generate money and pay fees, setting up a HELB desk and cross collaboration to the CDF officers to assist trainees in fees payments</p>	<p>Not Resolved</p>	<p>30.06.2026</p>

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	<p>In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.25, 011,835 could not be confirmed.</p>			
Emphasis of Matter				
<p>Budgetary Control and Performance</p>	<p>The statement of comparison of budget and actual amounts reflects total revenue budget and actual revenue on a comparable basis of Kshs.123, 674,699 and Kshs.80, 364,861 respectively resulting to an underfunding of Kshs.43, 309,838 or 35% of the budget. Similarly, the statement reflects total expenditure of Kshs.63, 348,855 against actual revenue of Kshs.80, 364,861 resulting to an under-expenditure of Kshs.17, 016,006 or 21% of the actual revenue.</p> <p>Further, the statements reflect total expenditure budget of Kshs.123, 674,699. However, the approved budget was not provided for audit review. Failure to prepare and approve the budget is contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the draft estimates relating to his or her department are prepared in conformity with the Constitution, the Act and the Regulations.</p> <p>The underfunding and under - utilization affected planned activities and may have had a negative impact on resource management and service delivery by the College.</p> <p>My opinion is not modified in respect of this matter.</p>	<p>a) The effect is as a result of low enrolment during the period under review.</p> <p>b) No development grand, Capitation, HELB and scholarship funds that was budgeted and anticipated were not fully disbursed as well as projected CDF funds were not disbursed in time.</p> <p>c) Most activities were tied up because the college was not fully handed over.</p> <p>d) Due to low enrolment, less expenditures were incurred</p>	<p>Not Resolved</p>	<p>30.06.2026</p>

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REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES				
1. Non-Compliance with Laws on Standing Imprest	<p>Review of bank statements of the bank accounts held by the College revealed that Management made cash withdrawals totalling Kshs.9, 415,000 as standing imprests to facilitate daily office operations. However, review of the memorandum cashbook for the standing imprest revealed the following anomalies;</p> <ul style="list-style-type: none"> i. The officers issued with standing imprest did not complete an imprest warrant with the details of the amount and the purpose of the imprest. ii. Standing imprest was used to pay salaries, motivational allowances and casuals. iii. Management issued standing imprests for procurement of items that were above the threshold of low value goods contrary to Section 108 of the Public Procurement and Asset Disposal Act, 2015 which has set the threshold of low value goods at Kshs.50,000 per item. iv. It was observed that in some instances, the College issued standing imprest over and above the approved limit of Kshs.300, 000 per week. <p>In the circumstances, Management was in breach of the law</p>	<p>Management Response</p> <p>The managements commit to adhere to PPADA, 2015 and its regulations since now we have qualified procurement personnel. The said amount is not imprest warrants but petty cash that was made for office operations such as office tea, low value procurements of items, administrative expenses as per the college finance policy.</p>	Resolved	18/07/2025

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<p>2. Irregular Opening of Bank Accounts</p>	<p>The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.12, 483,476. Included in the balance is bank account balance of Kshs.90, 578 whose bank account was opened in the financial year under review for revenue collection. However, Management did not provide approval from the Board of Governors and the National Treasury on opening and maintaining the bank account. This was contrary to Section 82(4) of Public Finance Management (National Government) Regulations, 2015 which states that except with the prior authority of the National Treasury, no Accounting Officer may open a bank account for the deposit, custody or withdrawal of public moneys or other moneys for which he or she is responsible in his or her official capacity or for the transaction of official banking business.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The management wishes to provide the board minutes approvals for the accounts opening and the ministry guidelines on setting up Income Generating Units in every college depending on their canter's of excellence that had a different management aid at making profits</p>	<p>Not Resolved</p>	<p>30.06.2025</p>
<p>3. Lack of Land Ownership Documents</p>	<p>The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.294, 658,717. Included in the balance is land valued at Kshs.126, 000,000. However, the College was not in possession of any land ownership documents such as title deed to prove ownership of the land.</p>	<ul style="list-style-type: none"> • The management is working with the necessary ministries in collaboration with the parent ministry to ensure that all the ownership documents are provided. • The survey work has been done and the report 	<p>Not Resolved</p>	<p>30.06.2030</p>

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	<p>In the circumstances, the ownership of the land valued at Kshs.126, 000,000 could not be confirmed.</p>	<p>is with the ministry of land for further action. In possession it has the power of attorney documents that allocated the land to the college.</p>		
<p>4. Un-Procedural Recruitment</p>	<p>The College engaged casuals and interns during the year under review. However, the recruitment process revealed the following anomalies;</p> <ul style="list-style-type: none"> i. The recruitment plan was not provided for audit review. ii. The recruitment process could not be confirmed since it was not supported with advertisement made, list of applicants, shortlisted applicants and appointment letters. iii. It was established that the College did not have an approved standard rate for paying interns. The rate of stipend varied from one intern to another. iv. Management did not confirm staff after the lapse of the probation period of six (6) months, therefore failing to comply with its own guidelines. <p>In the circumstances, Management was in breach of the guidelines.</p>	<p>This recruitment was informed by the strategic plan for the periods and review, the shortage staff in some departments and resignation of other key staffs like the accountant and procurement officers. On remuneration the management adopted the public service commission rates for the payment of the interns depending on the affordability availability of funds. The proposed recruited staff were proposed in the finance budget and approved by the board although there were no finances to recruit them all at the beginning but to recruit in piecemeal. Attached is the</p>	<p>Resolved</p>	<p>30.06.2025</p>

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		budget, proposed staff and other supporting documents for your review		
<p>5. Unsupported Remuneration of Board Members</p>	<p>The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Board expenses amount of Kshs.2, 417,000. Review of the documents presented for audit revealed that the Board held six (6) full Board meetings in the year under review. However, no invitations or requisitions for special Board meetings was made by the chairperson or members of the Board. Further, the Board minutes were not signed by the Board chairperson and the acceptance letters for appointment of three (3) Board members were also not presented for audit.</p> <p>In addition, the Board notice for every Board meeting was not convened by giving at least fourteen (14) days' notice in writing to every member. This was contrary to Section 11(3) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which requires the chairperson to requisition in writing, to convene a special meeting of the Board at any time for the transaction of specific business.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The management has taken note and will adhere to those rules and regulations going forward. However, the management has provided the minutes for the full and committee meetings, attendance sheets, board almanac that was serving as an invitation and a reminder of the calendar of activities for the period under review.</p>	<p>Not Resolved</p>	<p>30.06.2025</p>

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REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1. Lack of Disaster Recovery Plan and Risk Management Policy	<p>Review of the College’s ICT environment revealed that there was no IT disaster recovery plan in place that would reduce impact on operations in case of outage or disruption to ICT systems likely to occur. Further, the College may not recover or restore critical Infrastructure services and systems which may affect all operations that rely on the ICT systems. In addition, the College does not have a Risk Management Policy in place.</p> <p>In the circumstances, the effectiveness of the internal controls could not be confirmed.</p>	<p>The Management has taken note and will collaborate with Ministry of Information to develop, approve and implement disaster recovery plans for the College systems the financial year 2025/2026.</p> <p>The management wishes to humbly submit the following evidence of draft policies and manuals that have been developed;</p> <ul style="list-style-type: none"> ● Purchase of the college server and an ERP system ● Purchase of cloud space for data storage. ● A draft Fraud prevention guidelines ● Risk assessment and management strategy ● Setting up an occupational safety and Health committee 	Resolved	30.06.2025

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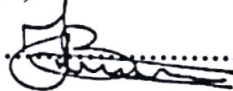
		<ul style="list-style-type: none"> • Setting up a Digitalization committee at the college 		
2. Lack of Annual Governance Audit and Performance Evaluation	<p>Review of records at the College relating to the Board activities revealed no evidence of the Board having undertaken an annual governance audit during the year under review. The audit is expected to address governance practices including leadership and strategic management, transparency and disclosure, compliance with laws and regulations, Board independence and governance, consistent shareholder engagement and value enhancement among others. Further, the Board did not conduct self-evaluation of its performance on an annual basis as required by Mwongozo and the Board Charter that requires the Board of Directors to carry out annual performance evaluation and file a report with the parent ministry and the State Corporations Advisory Committee.</p> <p>In the circumstances, the effectiveness of the internal controls in governance could not be confirmed.</p>	<ul style="list-style-type: none"> • The management is committed and has done an induction with the new board members for the current period under review. Hence, it will ensure that Corporations Advisory Committee evaluates them. Attached is the evidence for the for the board induction. • An evaluation process has been initiated • Strategically, the audit board committee has done various meeting as per the records submitted for review. 	Not Resolved	30.06.2026
1. Lack of Qualification in Audit Committee	<p>It was observed that members of the audit and risk management committee lacked qualification in finances and membership in a professional body in good standing as provided in the Mwongozo. Further, the head of internal</p>	<p>The management state that Ms Scholastica Kailanya was appointed in finance committee as per the requirement however she</p>	Not Resolved	30.06.2028

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	<p>audit is not a member of the professional body responsible for regulating auditors.</p> <p>In the circumstances, the effectiveness of the internal controls in governance could not be confirmed.</p>	<p>may be shifted to the audit committee as per the auditor's recommendations.</p> <p>Evidence of board composition at the moment wouldn't support.</p> <p>Request for appointment of another ICPAK members following the auditors recommendations</p>		
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Guidance Notes:

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



Name:
Accounting Officer

Josephine Moraa Begi

Date 31/10/2025

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Appendix II: Projects Implemented by Kasarani 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)
1	N/A					

Status of Projects completion

	Project	Total project Cost	Total allocated budget for the Year	Completion % to date	Budget	Sources of funds
1	Academic Complex	340,832,852	8,000,000.00	0%	4,000,000.00	GOK
2	Dean of Trainees' Office	2,000,000.00	2,000,000.00	100%	2,000,000.00	GOK
3	Trainers Toilet	400,000.00	400,000.00	100%	400,000.00	GOK
4	Trainees Toilet	500,000.00	500,000.00	100%	500,000.00	GOK
5	CCTVs	350,000.0	350,000.0	0	350,000.0	GOK
6	College Gate	2,000,000.0	2,000,000.0	0	1,000,000.0	GOK
7	Solar Power Back-up	2,500,000.0	2,500,000.0	0	1,500,000.0	GOK
8	Solar Flood Lights	200,000.00	200,000.00	0	200,000.00	GOK
		15,950,000	15,950,000		11,950,000	

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity... Ministry of Education state department of TVET.....

Name of beneficiary entity.....Kasarani technical and vocational college.....


Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	12/07/2024	Recurrent Grant		Ksh10,000,000.00	
	14/02/2025	Recurrent		Ksh17,992,000	
	15/04/2025	Recurrent Grant		Ksh10,000,000.00	
Total				Ksh37,992,000.00	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name JOSIAH NYAUNCHO Sign  Date 31/10/2025

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
TVET Greening	Installing Solar Power Back-up	Going green and climate control	Solar Power Back-up	200,000	300,000	500,000	500,000	GOK	Parent Ministry
	Installing Solar Flood Lights	Going green and climate control	Solar Flood Lights	50,000	50,000	50,000	50,000	GOK	Supplier
	Tree planting	Reducing carbon emissions	10 million tree planting	100,000	100,000	100,000	100,000	Gok	Kasarani TVC

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Appendix V: Reporting on Disaster Management Expenditure

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

