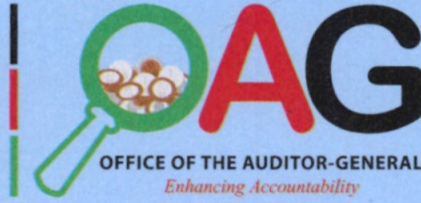
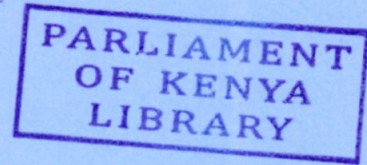


REPUBLIC OF KENYA



**REPORT**

**OF**




**THE AUDITOR-GENERAL**

**ON**

**KIPKABUS TECHNICAL AND VOCATIONAL  
COLLEGE**

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

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 08 APR 2026	
DAY: Wed	
TABLED BY:	Hon. Samuel Cheptanga
CLERK-AT THE-TABLE:	Modo Akabo



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**KIPKABUS TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
NYS	National Youth Service

**B. Definition of Key Terms**

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

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

## 2. Key Entity Information and Management

### (a) Background information

Kipkabus Technical & Vocational College is situated in Uasin-Gishu County, Kenya. It was established in 2018 as a Technical and Vocational College. It was equipped with equipment's by the government for Mechanical workshop.

The entity has four departments respectively and is as follows; Building and Civil Engineering, Mechanical Department, Information Communication Technology Department and Administrative Department.

Kipkabus Technical and Vocational College was fully equipped by the Ministry of Education with Mechanical Engineering machines including Lead Machine.

### (b) Principal Activities

The principal activity of Kipkabus Technical and Vocational College is to offer high quality Technical Training and carry out innovative research within and outside the college

#### Vision

To use our unlimited passion for technology content and services to deliver high quality skills

#### Mission

To provide high quality technical industrial & vocational training in a conducive environment using appropriate technology to empower trainees for individual and national development.

#### Strategic Objectives

- 1) To provide conducive environment for learning
- 2) To provide Technical training and re- skilling opportunities
- 3) To enhance integrations of Information Communication Technology in management, training and learning
- 4) Promote strategic collaboration and linkages with industries and other institutions
- 5) Promote entrepreneurship, innovation and research

#### Core Values

To meet the expectations of our stakeholders, we are committed to the following values: -

- 1) Professionalism,
- 2) Transparency
- 3) Accountability
- 4) Integrity

### (c) Key Management

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

**Kipkabus Technical and Vocational College**  
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- Board of Governors/ Council.
- Accounting officer/ Principal.
- Management.

**(d) Fiduciary Management**

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

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>-Eric K. Tanui</b>
2.	Deputy principal Administration	<b>-Johana Chesire</b>
3	Deputy principal Academics	<b>-Benjamin Maiyo</b>
4	Registrar (s)	<b>-Sheila Mutai</b>
5	Dean of students	<b>-Raphael Korir</b>
6	Head of Finance	<b>-CPA Elijah Chirchir</b>
7	Head of Procurement	<b>-Newton Bett</b>
8	Head of Building Department	<b>-Timothy Kosgei</b>
9	Head of ICT Department	<b>-Maureen Chepkoech</b>
10	Head of Mechanical Department	<b>-John Kimaiyos</b>

**Key Entity Information and Management (Continued)****(e) Fiduciary Oversight Arrangements**

The key fiduciary oversight arrangements in the Institute are as follows;

1. Finance, Infrastructure and General-Purpose committee chaired by Kennedy Mwendwa

He is practising Engineer and a Consultant.

They deal with finance matters and approve policies.

The committee members are as follows,

No.	Name	Designation
1.	Eng. Kennedy Mwendwa	Chairperson
2.	Dr. Zuhra Chepkoech	Member
3	CPA Mercy Kitelo	Member
4	Michael Rugut	Member

2. Education, Human Resource and Training committee chaired by Dr. Zuhra M. Chepkoech

She works as a Senior Lecturer at Moi University.

The committee spearheads and does an oversight of education and human resource activities of the institution. Its committee members are as follows,

No.	Name	Designation
1.	Dr. Zuhra M. Chepkoech	Chairperson
2.	Ms. Joan Omuruli	Member
3	Mr. John Ndirangu	Member
4	Mr. Michael Rugut	Member

3. Audit and Risk Management is chaired by Dr. Elijah Omutange

He works as a Senior lecturer at Moi University. He seats at Kipkabus Technical and Vocational College B.O.G as a member. They committee gives direction and an oversight of the audit and risk management of Kipkabus Technical and Vocational College. The committee members are as follows,

No.	Name	Designation
1.	Dr. Elijah Omutange	Chairman
2.	Mr. Ronald R. Omullo	Member
3	Ms. Joan Omuruli	Member

**(f) Entity Headquarters**

Kipkabus Technical and Vocational College

P.O. Box 10882-30100

Eldoret - Kenya

40 km off Eldoret – Ainabkoi highway, approximately 40km from Eldoret.

**Kipkabus Technical and Vocational College**  
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Eldoret, KENYA

**(g) Entity Contacts**

Telephone: (254) 17130180  
E-mail: [info@ktvc.ac.ke](mailto:info@ktvc.ac.ke)  
Website: [www.ktvc.ac.ke](http://www.ktvc.ac.ke)

**(h) Entity Bankers**

Kenya Commercial Bank  
Eldoret East Branch  
P.O BOX 01-30100  
ELDORET

Other Commercial Banks  
There are no other commercial banks held by the college

**(i) Independent Auditors**

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





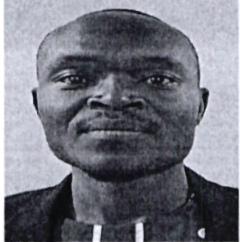
**Key Entity Information and Management (Continued)**





**(j) Principal Legal Adviser**

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

**Kipkabus Technical & Vocational College**  
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**3.The Council/Board of Governors**

No.	Member/ Director	Details
1.	 Adv. Caroline Kiboss Lawyer, Bachelor of Law	<p>Adv. Caroline Kiboss born in the year 1975. She works as a lawyer at Advocate Kiboss and CO. Advocates. She has a Degree in Law and a graduate Diploma of the Kenya School of Law. She seats at Kipkabus Technical and Vocational College B.O.G as a Chairperson.</p>
2.	 Dr. Zurah Chepkoech Mohammed Lecturer, Moi University	<p>Dr. Zurah is a member of the board at Kipkabus TVC And seats as the Chairperson for Human Resource Education training and Also a member for Finance and infrastructure committee.</p>
3.	 Ms. Mary K Chepkemboi	<p>Ms. Mary is a member of the board at Kipkabus TVC And seats as the member for Finance and infrastructure committee.</p>
4.	 Mr John M Ndirangu	<p>Mr John is a member of the board at Kipkabus TVC And seats as the member for Human Resource Education &amp; Training.</p>
5.	 Mr Ronald R Omullo	<p>Mr Ronald is a member of the board at Kipkabus TVC And seats as the member for Finance and infrastructure committee.</p>

6.	 Dr. Elijah Omutange	Dr. Elijah is a member of the board at Kipkabus TVC. He seats as the chairperson for Audit Risk Committee.
7.	 Mr Kennedy Mwendwa	Mr Kennedy is a member of the board at Kipkabus TVC. He seats as the chairperson for Finance and infrastructure.
8.	 Ms Joan Omuruli	Mrs Joan is a civil servant trained teacher/trainer and a psychological counsellor. She holds a master of Arts Degree in counselling Psychology, Bachelor of Education Degree in Home Economics and Diploma in project management. She currently works as the Deputy Director-Vocational Technical Education and training at Nairobi Headquarter office. She has served as a principal Vocational Training Officer for seventeen years and as a teacher graduate. Her cumulative experience is 33 years and she seats as a member of the board at kipkabus and also a member in several committees.
9.	 Eric K. Tanui Principal /Sec Board of Governors	Eric K. Tanui is the Principal Kipkabus Technical and Vocational College. He assumed the position on 5th June, 2023. He has been a Principal in two different TVET institutions i.e Kipsoen TVC and Ravine Technical. Eric has a Master of Science in pure mathematics with Kenyatta University and Bachelor of Education with Egerton University. He is the Secretary to the full Board of Governors and a graduate teacher /trainer for more than 20years.
10.	Mr David Nganga County Director Technical and Vocational Education and Training	Mr. David Nganga is the County Director Technical and Vocational Education and Training of Uasin Gishu county. He is a member of the Audit and Risk Management

#### **4. Chairman's Statement**

It gives me great pleasure to present the 2024/2025 Annual Report to our stakeholders. We are immensely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the institute's strong profile, good reputation and positive impact, of mention is the increase in student enrolment that registered a big stride through the government initiative in Technical and Vocational Education and Training and vigorous marketing. In Kenya, education experts have predicted that the success of economic growth will be hinged on an adequate supply of middle-level technical skills. To address this concern, the government has moved to implement the Technical and Vocational Education and Training Act (2013). This has resulted in increased funding for the Technical and Vocational Education and Training Institutions through Capitation, Development Grants and Higher Education Loans Board loans and bursaries. The government's initiative in improving Technical and Vocational Education and Training sector brought along several opportunities including increased enrolment, linkages and collaborations including the latest one GIZ. Along these were also high levels of expectations from student community, employees and other stakeholders. The strategic plan being implemented had envisaged to address the emerging challenges and took advantage of existing opportunities. It provides a clear roadmap to the Board of Governors and management during the period 2021-2025 of the institute's development priorities. The Institute continues to make tremendous achievement in fulfilling its mandate by continuing to provide physical and training facilities, employing skilled manpower and automating its operations. It is expected that the government will continue to contribute to the realization of our dreams as we look out to other partners and sources of revenue to fund the planned expansion.

Despite the difficulties experienced in underfunding of capitation from ksh.30,000- ksh.14,000 per year and introduction of new funding model, we managed to bounce back fully during this financial year by completing some priority projects earmarked during the previous and this financial year. We were more encouraged by very good results that the Institute attained through trainees who posted good results in the Technical and Vocational Education and Training fairs and the institute have put in place good measures this year on the improvement of the Performance contracting. We have continued to maintain several measures following the directives of both the Ministry of Health and Ministry of Education regarding Covid-19. Through

a collaborative process of management working among staff and trainees, with the full support of the Board of Governors, we have continuously worked to ensure that the Institute meets its financial obligations for sustainability and for its infrastructural expansion. We continue to improve training facilities to gain competitive edge and meet the requirements of the extremely competitive environment since every constituency boasts of a public Technical and Vocational Education and Training institution as well as Private Colleges. Our commitment as a Board is to continue setting the right tone at the top geared towards the realization of the Institute's vision and mission. We feel indebted to all the stakeholders who contributed to the success of the just concluded financial year and look forward to continued cordial relations. This financial statements are signed by the Uasin-Gishu county director TVET on behalf of the board chairman since the board of the institution expired in February, 2025.

Mr. David Nganga



County Director-TVET

Date: 17/11/2025

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

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**5. Report of the Principal**

Kipkabus Technical & Vocational College is meant to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable socio-economic development. This also enables the institute to contribute towards the attainment of our country's Vision 2030 blue print and support the drive in realising the objectives of the National Government's Economic Model.

The Financial Year 2024/2025 was a significant year as the Government continued to emphasis on Technical and Vocational Education and Training sector and it had recovery strategies from the Covid -19 that had disrupted the previous financial year. The Institute took decisive, immediate actions and deliberate changes to match the dynamics including renovations of facilities. During the financial year, the institute implemented activities towards to roll out its Strategic Plan. Resources were directed to marketing activities to increase student enrolment, some infrastructural projects, training, research and Information Communication Technology activities. Some of the key priority areas implemented in the financial year under review are;

1. Construction of Temporary classrooms.
2. Construction of food and Beverage restaurant.
3. Intensive Marketing of the Institute's Programmed
4. Introduction of Avocado Nursery

Prudent financial management remains top in our agenda. In the financial year 2024/2025, the exchequer contribution totaled to Ksh.62,409,883 for recurrent expenditure purposes as compared with Ksh 40,860,500 in the previous year. Internally generated income of Ksh 60,025,880 collected was from fees from regular students, National youth service trainees, hostel income and other income. The Institute recorded an aggregate income of Ksh 122,435,763 during the year while the recurrent expenditure stood at KSh 101,757,391. There was capital development received in this financial year by the institute inform of computers.

On behalf of the Board of Governors, I take this opportunity to thank the National Government for its tremendous support during the year under review. I also appreciate the financial, material and moral support from our collaborators, stakeholders and well-wishers during the period. It is because of the co-operation with the National Government through the Ministry of Education, the Board of Governors as well as the cooperation of the Management team, all staff, our students and other partners that we ended the year with stability.

It is my desire that we continue working together as a team in the next financial year and beyond.





Mr. Eric K. Tanui

PRINCIPAL

Date: 17/11/2025




**6. Key Management Team**

No.	Member/ Director	Details
1.	 Eric K. Tanui Principal/Board Of Governors Secretary	<p>Eric K. Tanui is the Principal Kipkabus Technical and Vocational College. He assumed the position on 5th June, 2023. He has been a Principal in two different TVET institutions i.e Kipsoen TVC and Ravine Technical. Eric has a Master of Science in pure mathematics with Kenyatta University and Bachelor of Education with Egerton University. He is the Secretary to the full Board of Governors and a graduate teacher /trainer for more than 20years.</p>
2.	 Benjamin Maiyo Deputy Principal Academics	<p>Benjamin Maiyo is the Deputy Principal Academics at Kipkabus Technical and Vocational College. Maiyo has been a teacher/ trainer for 15 years and his last TVET institution being Eldoret National Polytechnic.</p>
3.	 Johana Chesire Deputy Principal Administration	<p>Johana Chesire is the Deputy principal Administration at Kipkabus Technical and Vocational College. He has years' experience as a trainer. He holds a Bachelor's Degree in Technical Education with Moi university and Degree in Mechanical Engineering with Dedan Kimathi University.</p>
4.	 M.s Sheila Mutai Registrar	<p>Sheila Mutai is the Institute Registrar. She has 11 years of experience as a trainer. She holds a Degree in Information Communication Technology with Makerere University of science and technology (Uganda) and a Diploma in Management, Project management Option with Kenya Institute of Management (KIMS).</p>

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5.	 Mr. Timothy Kosgei Head Of Department Building & Civil	Timothy Kosgei is the Head of department Building and Civil Engineering. He has 3 years of experience as a trainer. He holds a diploma in civil engineering with Kenya National Examination Council
6.	 Mr. John Kimaiyos Chepkirwok Head Of Department Mechanical Department	John K. Chepkirwok is the Head of department Mechanical Engineering. He holds a Diploma in Automotive Engineering with Kenya National Examination Council and Diploma in Technical Education Automotive option with Kenya Technical teachers' college.
7.	 CPA Elijah K. Chirchir Finance Officer	CPA Elijah K. Chirchir is the Head of Finance. He has done Certified Public Accounts (CPA) and he is a finalist. He is registered with the Institute of Certified public Accountants of Kenya (ICPAK). He has a Degree in Bachelor of Commerce-Finance Option with KCA University.
8.	 Mrs. Maureen Chepkoech Head Of Department Information Communication Technology	Maureen Chepkoech is the Head of Department Information Communication Technology. She holds a Diploma in Technical Education Programme (TEP) from Rift Valley Institute Of Science And Technology and Bachelor's Degree in Education (Technology Education) Computer studies with University of Eldoret
9.	 Mr. Victor Kibet Industrial Liason Officer	Victor Kibet is the Industrial Liaison Office. He is concerned with linking of trainees with industries for attachments. He holds a Diploma in Automotive Engineering with Rift Valley Technical Training Institute and a Degree in Automotive Engineering with University of Eldoret.

10.	 <p>Eng. Raphael Korrir Dean of Students</p>	<p>Raphael Korrir is the Dean in the Institution. He is concerned with matters concerning students. He has 3 years of experience as a trainer. He has a Degree in Geospatial Engineering from the Technical University of Kenya and a Member of Institution of Surveyors of Kenya</p>
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**Kipkabus Technical and Vocational College**  
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**7. Statement of Performance against Predetermined Objectives**

Kipkabus Technical & Vocational College has five strategic pillars and objectives within its Strategic Plan for the Financial Year 2019/2020- 2023/2024. These strategic pillars are as follows:

Pillar 1: Teaching & Learning

Pillar 2: Physical Infrastructure

Pillar 3: Governance and Management

Pillar 4: Information Communication Technology

Pillar 5: Finance

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

Strategic Pillar No.1	Objective	Key Performance Indicators	Activities
Teaching & Learning	To produce competent and skilled trainees	Enhance funding for training.	Increase budget allocation for training.
			Lobby Government for increased funding.
			Engage development partners for funding support
		Collaboration with the industry.	Identify areas of collaboration and probable industries of interest
			Establishing and strengthening collaboration
		Integrate Information Communication Technology in training.	Train 4 staff on basic Information Communication Technology skills
			Procure smart boards/other relevant teaching aid solutions
Develop and implement CBET Curriculum.	Enhance Institution's communication and visibility		
	Upgrade and update institutional website		
To enhance quality in service delivery	Effective and efficient curriculum implementation.	Full/complete curriculum implementation.	Enhance Academic standards as stipulated in the academic policy.
			Review and update academic policy
			Implement Quality Management System , review and maintain standards
			Monitor and evaluate quality assurance standards implementation
		Enforce academic standards as stipulated in the academic policy.	Review and update academic policy.
			Implement Quality Management Systems, review and maintain standards.

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		Monitor and evaluate quality and assurance standards for all products and services.	
<b>To strengthen collaboration and linkages with industry</b>		Establish and strengthen collaborations and partnerships.	Establishing and strengthening collaboration
		Improve on supervision of attachment activities.	Upgrade the Management Information System include industrial attachment module
		Promote apprenticeship and internship placement	Develop and implement attachment, apprenticeship and internship policy
<b>To promote innovation, creativity and research</b>	Strengthen Research & Development unit.		Create a research and innovation fund
			Write research funding proposals from donors and NRF
			Provide relevant training and research facilities
			Collaborate with research institutions
			Develop a research and development policy
		Provision of relevant training and research facilities.	
		Collaborate with other research institutions.	
		Funding research, innovation and Set-up a business and innovation hub/ incubator.	
	Inculcate and nurture innovative culture – Seng up exhibition.		Set-up a business and innovation hub.
			Design/come-up with a competition and reward best innovations.
		Set-up a seed capital fund to finance incubation of startups	
	Fabrication and installation of hydrium.		
<b>To promote access and equity to training</b>	Provide institutional academic scholarships to SET courses.		
	Promote gender equity.	Carry out motivational talks in targeted high schools	
		Develop gender centric initiatives to support either gender e.g sports, hostels allocation	
	Collaborate with industry and Small Markets for training, attachment and internship/apprenticeship.		
	Market the Institute.	Develop a talent discovery/search programme through events e.g culture week, innovations expo.	
		Participation in co-curricular activities e.g sports, Kipkabus Technical And Vocational College events	
		Advertise through print and electronic media.	
		Visits to secondary schools, attend graduations and public forums	

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			Participate in Technical and Vocational Education and Training Fairs and exhibitions
		Liaise with Kenya Universities and Colleges Central Placement Services (Kenya Universities And College Central Placements Service) for placement of students	
		Establish/set-up an E-learning centre	
	<b>To enhance student's welfare</b>	Participate in co-curricular activities.	
		Advocate for comprehensive and affordable insurance cover	Procure affordable insurance cover
		Acquisition of 62-seater institute bus	
		Enhance security – install CCTV	Install CCTV cameras.
		Improve recreational facilities	Repair the fields and internal sports arenas Adequately Kit all the teams
		Improve student's wellbeing - Strengthen counselling	Increase participation in co-curricular activities
			Advocate for comprehensive insurance cover
			Create awareness on HIV/AIDS, Drugs and Substance abuse and facilitate voluntary counseling and testing s.
			Strengthen the counseling unit – proactive
			Acquire a 62-seater bus
		Enhance student's governance structures	
<b>Strategic Pillar No. 3</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>
<b>Governance &amp; Management</b>	<b>Maintain a competitive edge, corporate image and sustainable environment</b>	Adhere and regular review of customer delivery charter.	Review customer service delivery charter annually.
			Enforce adherence of service delivery charter.
		To enhance institutional corporate image.	Participate in corporate social activities.
		Enhance health, safety and disaster preparedness	
		Enhance HIV/AIDS, drugs and substances abuse awareness.	
		Address disability concerns.	
		Promote integrity through prevention of corruption and	

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Strategic Pillar No.4	Objective	Key Performance Indicators	Activities
Information Communication Technology	To promote use and adoption of Information Communication Technology	resolution of public complaints	
		Adopt and operationalize e-Government strategy.	
		Enhance institutional Information Communication Technology security.	Enhance Information Communication Technology security – install firewalls etc
			Develop Information Communication Technology security policy
			Implement Integrated Security Management System based on ISO 27001
		Improve staff to computer ratio to 2: 1	Procure 25 additional computer and computer accessories for staff
		To link the institute to the national fibre optic grid	To link the institute to the national Fibre optic back bone grid
		Enhance access to LAN within the institution.	Extend LAN services to all offices
			Boost Wi-Fi coverage
		Enhance Information Communication Technology equipment and Systems security measures.	
		Increase Information Communication Technology literacy	
		Improve the Institutions’ website	Upgrade the Institute’s website
Enhance Automation of core services in the institute- e.g. Students admission, E-learning	Install ERP /Modules		
Integrate Information Communication Technology into teaching and learning	Train 20 staff on basic Information Communication Technology skills		

**8. Corporate Governance Statement**

**1. Code of conduct/ responsibilities of board members**

Kipkabus Board of Governors relies on the prescription of the Technical and Vocational Education and Training Act, 2013 on the description of its responsibilities, functions and structure and ethical conduct.

**2. Appointment and removal of Board of Governors**

The appointment and removal of the Board of Governors is prescribed under the Technical and Vocational Education and Training Act, 2013. The appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as Information Communication Technology, Finance, Technical areas etc. it also factors in gender and ethnic representation as per the Constitution. The current Board of Governors was appointed by the Permanent Secretary Ministry of Education Science and Technology in 7<sup>th</sup> March 2022 and it is ment to run for the next three years.

**3. Training**

The Board of Governors attended induction training in corporate governance organized by the Ministry through the Technical and Vocational Education and Training in December 2019 and was attended by all members led by the Chairperson.

**4. Board performance evaluation**

There is a formal process for reviewing and evaluation of Boards performance and its committee

**5. Conflict of interest**

Declaration of conflict of interest is maintained in all meetings. A register of conflict of interest is maintained by the institution to record all the declarations

**6. Board remuneration**

The Board are entitled to sitting allowance as prescribed in the Kipkabus Technical and Vocational College Board allowances.

**7. Succession plan**

The current board does not have a succession plan as members appointed were given the same time of tenure. The Institute is in discussion with the parent ministry to stagger appointment of the Board members

**8. Board meeting attendance**

The board holds its meetings at least once every quarter. In Financial Year 2024/2025, meetings were held as follows;

	<b>Nature of meeting</b>	<b>Ordinary</b>	<b>Special</b>	<b>Total</b>
1	Full Board	2	0	2
2	Committee- Finance and infrastructure	1		1
3	Finance and infrastructure	1	0	1
4	Human Resource Education & Training	1	0	1
5	Special Board	0	1	1
6	Training	0	0	0

## **9. Management Discussion and Analysis**

### **1) Financial performance**

In the financial year 2024/2025, the exchequer contribution totaled to Ksh.62,409,883 for recurrent expenditure purposes as compared with Ksh 40,860,250 in the previous year. Internally generated income of Ksh 60,025,880 collected was from fees from regular students, National youth service trainees and hostel income. The Institute recorded an aggregate income of Ksh 122,435,763 during the year while the recurrent expenditure stood at Ksh 101,757,391.

#### **Key projects and investment decisions**

Capital projects are key to the growth and development of the Institute given its continued expansion and improvement of the required physical facilities to accommodate increasing population.

During the year under review, the major projects undertaken Installation of the Jitume hub, construction of two pit latrines and marketing of the institution's programmes. The other challenges in implementation include delays in disbursement of funds. We have written a request for funding in aid of a stalled Building and Civil engineering workshop which was initially laid to the slab level by the contractor and its completion shall create offices has implementation were phased into four phases to avoid conflict with contractors and each stage is implemented as soon as funds are available.

### **2) Risks and opportunities**

#### **Strengths**

- Experienced, committed and supportive Board of Governors
- Modern training equipment
- Community good will
- Existence of students' council
- Space for expansion
- Committed management team

#### **Opportunities**

- Increase of training programmes
- Increasing demand for technical education
- Harmonious relationship with the community
- Reliable food and affordable supplies
- Existence of Higher Education Loans Board, Constituency Development Fund and other Bursaries
- Partnership with other institutions
- Placement of trainees by Kenya Universities And College Central Placements Service

#### **The Entities Challenges**

- Inadequate Public Service Commission trainers
- Inadequate class rooms

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

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- Delayed disbursement of Government of Kenya capitation and fees for sponsored students.
- Un consistent water flow.

**3) Material arrears in financial obligation**

There are no material arrears in financial obligation to the institute.

**4) Compliance with statutory deductions**

The institute complies with all the statutory obligations that include Pay As You Earn, National Social Security Fund, Higher Education Loans Board, and Social Health Insurance Fund and there is no pending obligation known to the institution in regards to statutory obligation. The institute even holds a compliance certificate on the same.

**5) Performance contracting**

The Performance contract for Financial Year 2024/2025 was not negotiated by the Board with the ministry of Education because the institute did not have all the documents required for negotiations i.e Strategic plan

**6) Students welfare**

The Dean of Students Office is mandated with management of all students' welfare matters. It supports welfare activities through the student council. These activities include election and managing students' council, participation in co-curriculum activities, guidance and counselling and inter religious activities.

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

### **Sustainability strategy and profile**

Kipkabus Technical & Vocational College exists to change lives. This is our purpose and the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

#### **1. Sustainability strategy and profile -**

We take it to be our responsibility to ensure that there is continuous improvement and integration with economic, environmental and social undertaking. We strive to work closely with our clients, suppliers, the local community, partners and other stakeholders.

#### **2. Environmental performance**

The environment is one key natural resources of the institution and operationalized through the institutes environmental policy the institute's commitment on reducing environmental impact is through tree planting and pursuing environmental audit to enable the colleges environmental performance improve

#### **3. Employee welfare**

The institute follows the guidelines of the public service human resource policy on recruitment, training and appraisal. We also adhere to the provision of the safety and compliance with Occupational Safety and Health Act of 2007, and have a policy in place that is being implemented.

#### **4. Market place practices-**

##### **a) Responsible competition practice.**

The institute brands itself as a corruption free zone and every member of staff is required to sign an integrity pact, provided corruption reporting and complaints boxes and developed code of conduct and whistle blowing policy

##### **b) Responsible Supply chain and supplier relations-** the institute follows the guidelines of Public Procurement Act, 2015 provisions and the Institute charter in handling its suppliers. We have also developed complaints and compliments structures that provide feedback mechanism.

#### **5. Corporate Social Responsibility / Community Engagements**

The Institute continue to work very closely with the community. In the financial year under review, we undertook several CSR activities that include continued support in provision of tea buying centre, use of the playing fields to host community tournament Competitions, repairs of water pipes during breakages which used by the college and the entire community

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

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**11. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Kipkabus Technical and Vocational College affairs.

**Principal activities**

The principal activity of Kipkabus Technical and Vocational College is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development

**Results**

The results of the Kipkabus Technical and Vocational College for the year ended June 30, 2025 are set out on page 1 to 5

**BOARD OF GOVERNORS**

The members of the Board who served during the first and second quarter of financial year had their term expired and the college did submit the documents for appointment of the new board members which is still in, the process. All Board members stayed in session until their period lapse. No Board member retired neither resigned.

**Auditors**

The Auditor General is responsible for the statutory audit of the Kipkabus Technical & Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By  Order of the Board  
  
The stamp is rectangular with a blue border and contains the following text: "KIPKABUS TECHNICAL AND VOCATIONAL COLLEGE", "PRINCIPAL", "Sign.....", "Email: info@ktvc.ac.ke / principal@ktvc.ac.ke", and "P. O. Box 10882 - 30100, ELDORET".

Secretary of the Board

Date: 17/11/2025

**12. Statement of Board of Governor's Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and require the board members to prepare financial statements in respect of Kipkabus Technical & Vocational College, which give a true and fair view of the of the college at the end of the financial year and the operating results of the institute for that year. The council members are also required to ensure that the Kipkabus Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The council members are also responsible for safeguarding the assets of Kipkabus Technical and Vocational College.

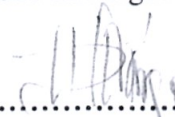
The council members are responsible for the preparation and presentation of the Kipkabus Technical and Vocational College financial statements, which give a true and fair view of the of the Kipkabus Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Kipkabus Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the Kipkabus Technical and Vocational College 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. The council members believe the Kipkabus Technical & Vocational College financial statements give a true and fair view of the state of the institutes transactions during the financial year ended June 30, 2025, and of the Institutes financial position as at that date. The board members further confirm the completeness of the accounting records maintained for Kipkabus Technical and Vocational College, which have been relied upon in the preparation of the Institutions financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

Kipkabus Technical & Vocational College financial statements were approved by the Board on 17/11/2025 and signed on its behalf by:

  
.....

**Name David Nganga**  
**County Director -TVET**

  
.....

**Name Eric K. Tanui**  
**Principal**

# REPUBLIC OF KENYA

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



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

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

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in 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 Kipkabus Technical and Vocational College set out on pages 1 to 42, 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

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

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 Kipkabus 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 Public Finance Management Act, and the 2012 Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.292,072,246 as reflected in Note 18 to the financial statements. Review of records revealed the following:

##### **1.1. Valuation of Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.292,072,246 as disclosed in Note 18 to the financial statements. However, valuation reports for the assets including land and motor vehicles were not provided for audit review.

##### **1.2. Motor Vehicle**

The statement of financial position reflects property, plant and equipment balance of Kshs.292,072,246 as disclosed in Note 18 to the financial statements which included motor vehicle balance of Kshs.7,613,440. Review of records revealed that the College has two (2) motor vehicles, a van and a bus. However, the van has private number plates instead of the parastatal number plates.

In the circumstances, the accuracy and completeness of property, plant & equipment balance of Kshs.292,072,246 could not be confirmed.

#### **2. Long Outstanding Current Portion of Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.93,838,966 as disclosed in Note 15 to the financial statements which Included long-term receivables from exchange transactions balance of Kshs.25,909,885. However, this balance has remained outstanding from the previous financial year. Further, the student debtors increased by Kshs.19,903,048 from Kshs.73,935,918 in the previous year to Kshs.93,838,966 in the year under review.

Management has not provided any explanations for the increase. In addition, the College does not have an approved debtors recovery policy.

In the circumstances, the current portion of receivables from exchange transactions balance of Kshs.93,838,966 could not be confirmed.

### **3. Unsupported Long-Term Receivables from Non-Exchange Transactions**

As previously reported, the statement of financial position reflects long-term receivables from non-exchange transactions balance of Kshs.22,923,000 as disclosed in Note 16 to the financial statements. However, supporting schedules and relevant documents were not provided for audit.

In the circumstances, the long-term receivables from non-exchange transactions balance of Kshs.22,923,000 could not be confirmed.

### **4. Variance in Employment Costs**

The statement of financial performance reflects employee costs of Kshs.11,126,374 and the corresponding Note 10 to the financial statements reflects Kshs.11,133,374 resulting to an unexplained variance of Kshs.7,000.

In the circumstances, the accuracy of employee costs amount of Kshs.11,126,374 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.146,095,838 and Kshs.121,003,663 respectively, resulting to an under-realization of Kshs.25,092,175 or 17% of the budget. Similarly, the statement reflects actual expenditure of Kshs.91,126,897 against actual receipts of Kshs.121,003,663 resulting to under-absorption of Kshs.29,876,766 or 25% of the actual receipts.

The under-realization and under-absorption affected the planned activities and may have impacted negatively on service delivery in the College.

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 Audit Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve them contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding. Refer to **Appendix I**

## **Other Information**

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of 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. Irregular Signing of the Financial Statements**

Review of College records revealed that the term of the Board of Governors expired in February, 2025 and as at the time of the audit in November 2025, a new board had not been constituted and appointed, therefore the financial statements of the College were signed by the County Director of TVET rather than the Chairman of the Board of Governors. This was contrary to Section 31(b) of the Public Audit Act, 2015 which states, inter alia, that the financial statements to be audited should have been signed by the accounting officer and the substantive head of that entity, if different from the accounting officer and the chairperson of the governing body, where applicable.

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

### **2. Stalled Construction of a Building and Engineering Tuition Block**

As previously reported, physical inspection of projects revealed a building under construction which had stalled at the foundation level. Further enquiry revealed that this was also an engineering tuition block that was being put up under the supervision of the mentor institution (Rift Valley Technical Training Institute). However, the contract files for the 2 projects were not provided for audit review. Further, information provided revealed that the contractor has not been on site for a period of more than six (6) years and the amount so far spent on the 2 projects could not be determined.

In the circumstances, value for money for the stalled building and engineering tuition block of Kshs.10,000,000 could not be confirmed.

### **3. Unauthorized Over Expenditure**

The statement of comparison of budget and actual amounts reflects over expenditure of Kshs.2,438,374 and Kshs.287,680 in relation to compensation of employees and repairs and maintenance respectively, which however, were not approved by the board and the CS National Treasury. This was contrary to Section 22(2) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013 which states that the Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

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

### **4. Irregular Transfer of Funds to the Kenya Association of Technical Training Institutions**

The statement of financial performance reflects use of goods and services amount of Kshs.75,201,443 which includes an amount of Kshs.1,480,875 in relation to subscriptions and facilitation of officers to attend Kenya Association of Technical Training Institutions

(KATTI) activities as disclosed in Note 9 to the financial statements. KATTI is a welfare organization that is not defined in Government funding and there is no assurance that it has implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by the College. This was contrary to Regulation 23(2)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires that an accounting officer shall before transferring any funds to an entity within or outside government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

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

#### **5. Non-Commitment to Climate Change Agreement**

Review of the College's records and physical verification of its infrastructure revealed that the Management did not have a policy on climate change adaptation, had not undertaken an environmental social impact assessment and had not conducted environmental audits, contrary to the requirements of the Environmental Management and Coordination Act (EMCA), CAP 387.

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

#### **6. Non-Compliance with Law on Staff Ethnic Composition**

Review of employee records revealed that the College had a total staff establishment of forty-four (44) employees, out of whom forty-one (41) employees or 93% of all the employees were from the dominant ethnic community in the area. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

#### **7. Non-Compliance with Data Protection Laws**

The College collects and processes stakeholder data, including mobile phone numbers, national exam registration numbers and results, birth dates, national identification and passport numbers, Kenya Revenue Authority (KRA) Personal Identification Numbers (PIN), companies' registration numbers, employee data among others. Review of the data management at the College revealed the following breaches of the data protection law;

- i. The College had not registered with the data commissioner as a data controller and data processor, respectively contrary to Section 18(1) of the Data Protection Act, 2019 which requires all data controllers and processors to be registered with the Data Commissioner.

- ii. The College has unlimited access to students' personal and sensitive data despite not being registered both as a data controller and a data processor, hence breaching the data confidentiality principle of the Data Protection Act.
- iii. The College had not established personal data retention schedule contrary to Regulation 19(2)(a) of the Data Protection (General) Regulations, 2021 which requires a data processor to establish personal data retention schedule with appropriate time limits for the periodic review of the need for the continued storage of personal data that is no longer necessary or where the retention period is reached.
- iv. The College had not established appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes contrary to Regulation 19(5) of the Data Protection (General) Regulations, 2021 which states that a data controller or data processor shall establish appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes.
- v. The College had not developed and published a policy reflecting its personal data handling practices, contrary to Regulation 23(1) of the Data Protection (General) Regulations, 2021, which states that a data controller or data processor shall develop, publish, and regularly update a policy reflecting their personal data handling practices.

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

#### **8. Lack of Approved Staff Establishment**

The statement of financial performance reflects employee costs amount of Kshs.11,126,374 as disclosed in Note 10 to the financial statements. However, review of the human resource records provided for audit revealed that the College did not have an approved staff establishment in place contrary to paragraph 4.3 of the Staff Establishments of the Guidelines for Development and Review of Human Resource Management Instruments for State Corporations and Public Universities dated 8 August, 2023 and referenced PSC/GEN/22/11/(91) which states that each State Corporation will have an approved optimal staff establishment that will form the basis for staffing during the plan period.

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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

## Conclusion

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

## Basis for Conclusion

### 1. Information Communication Technology (ICT) Environment

Review of the ICT internal control environment revealed that the College did not have an Information Technology (IT) Strategic Committee, an IT Strategic Plan, or an IT Steering Committee, which are important for performing oversight functions and formulating policies to ensure that the IT department functions effectively in assisting the achievement of organizational objectives in an economical, efficient, and effective manner. There was no training, transfer of skills, IT department staff backup and retention strategy implemented, implying that in case a disaster occurs, the College may not continue offering services. Further, there was no proper control of physical access to sensitive areas including the computer room which are vital in the effective and efficient management of the College's IT resources. In addition, the College did not have the periodic IT reports, which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

In the circumstances, the IT systems in place may not be fully utilized.

### 2. Weaknesses in Board Management

#### 2.1. Board Meetings

Review of operations and records of the College revealed that the board of governors held two (2) full board meetings during the year under review. It was also revealed that there were three (3) subcommittees of the Board where each held only one (1) meeting during the year under review. Management has explained that the board normally met after the end of every quarter as per the approved board Almanac, however the term of the board expired at the beginning of the third quarter, hence it was not possible to hold the remaining two (2) full board meetings and the remaining sub-committee meetings. This was contrary to Paragraph A(2) of the Office of the President Circular No. OP/CAB.9/1A dated 11 March, 2020, which states that for avoidance of doubt, the board meetings shall be restricted to a minimum of four (4) as provided in the State Corporations Act and capped at a maximum of six (6) for each financial year, or as maybe specified in the respective enabling legal instruments. The same principle shall apply to the respective committees of the Board.

## **2.2. Expiry of the Term of the Board**

Review of records revealed that there were nine (9) members of the board of governors out of whom, two (2) were appointed on 20 January, 2022 while seven (7) were appointed on 2 February, 2022 for a three-year term. The three (3) year term of the board ended on 20 January, 2025 and 2 February, 2025 respectively. A new board has not been appointed and the College continues to operate without a substantive board of governors.

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

## **3. Internal Audit Department and Audit Committee**

During the year under review, there was no evidence that the College conducted an internal audit evaluation to oversee the governance mechanism and promote transparency and accountability in the management of resources of the College. Management has explained that this was occasioned by budgetary constraints and the costs required to employ an internal auditor. Management sought to outsource the service of internal auditors from Kaiboi National Polytechnic. However, no internal audit reports were provided for audit verification. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board, and Regulation 160(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that Internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities.

The College had constituted an audit committee of the board of governors, however the committee met only once during the year under review before the term of the board of governors expired in February, 2025. A new board had not been appointed as at the time of audit in November 2025. This was contrary to Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015 which states that subject to paragraph (2) of this Regulation, each National Government entity shall establish an audit committee.

In the circumstances, the effectiveness of the internal control processes could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

04 December, 2025

## Appendix I: Unresolved Prior Year Audit Matters


No.	Issues
	<b>Report on the Financial Statements</b>
1	Unsupported Unpresented Cheques
2	Unsupported Long-Term Receivables from Non-Exchange Transactions
	<b>Emphasis of Matter</b>
3	Failure to Implement Budgeted Projects
	<b>Report on Lawfulness and Effectiveness in use of Public Resources</b>
4	Failure to Disburse Capitation to Eligible Students
5	Stalled Construction of Engineering Tuition Block Building
6	Non-Compliance with Minimum Requirements on Employee Ethnic Composition
7	Failure to Deduct Tax on Board of Governors Allowances
8	Failure to File Annual Self-Evaluation Report with the Technical and Vocational Education Training Board
	<b>Report on the Effectiveness of Internal Controls, Risk Management and Governance</b>
9	Incomplete Assets Register
10	Lack of Internal Audit Function
11	Lack of Assets Tagging
12	Failure to Adhere to the Effectiveness of the Implementation of Audit Recommendations
13	Non-Compliance with Inventory Requirements and Unsupported Inventory Requirements

**Kipkabus Technical & 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 the National Government – grants/ gifts in kind	6	19,651,925	40,860,250
		<b>19,651,925</b>	<b>40,860,250</b>
Revenue from exchange transactions			
Rendering of services- Fees from students	7	100,269,338	70,800,940
Other income	8	1,082,400	884,470
Revenue from exchange transactions		<b>101,351,738</b>	<b>71,685,410</b>
<b>Total revenue</b>		<b>121,003,663</b>	<b>112,545,660</b>
<b>Expenses</b>			
Use of goods and services	9	75,201,443	52,238,231
Employee costs	10	11,126,374	9,309,381
Remuneration of directors	11	711,400	1,143,000
Depreciation and amortization expense	12	18,127,348	17,492,836
Repairs and Maintenance	13	4,087,680	2,734,978
<b>Total expenses</b>		<b>109,254,245</b>	<b>82,918,426</b>
Gain on sale of assets		-	-
Unrealized gain on fair value of investments		-	-
Impairment loss		-	-
Total other gains/(losses)		-	-
<b>Net Surplus for the Period</b>		<b>11,749,418</b>	<b>29,627,234</b>

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

  
 .....  
**County Director TVET**

**Date...17/11/2025...**

  
 Sign.....  
 Email: info@ktvc.ac.ke / principal@ktvc.ac.ke  
 P. O. Box 10882 - 30100, ELDORET  
**Principal**

**Date...17/11/2025...**

  
**ACCOUNTANT**  
**17 NOV 2025**  
 .....  
**Finance Officer**

**ICPAK No.33712**

**Date...17/11/2025...**

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

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	12,907,059	1,836,175
Current portion of receivables from exchange transactions	15	93,838,966	73,935,918
Long term Receivables from non-exchange transactions	16	22,923,000	22,923,000
Inventories	17	2,152,990	6,500,000
		<b>131,822,015</b>	<b>105,195,093</b>
Non-current assets			
Property, plant and equipment	18	292,072,246	304,404,131
Intangible assets	19	1,855,000	1,855,000
		<b>293,927,246</b>	<b>306,259,131</b>
<b>Total assets</b>		<b>425,749,261</b>	<b>411,454,224</b>
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	8,345,600	5,800,032
		<b>8,345,600</b>	<b>5,800,032</b>
Non-current liabilities			
<b>Total liabilities</b>		<b>8,345,600</b>	<b>5,800,032</b>
<b>Net assets</b>			
Reserves-Revaluation		-	-
Accumulated surplus		12,118,943	369,474
Capital Fund		405,284,718	405,284,718
<b>Total capital and Reserves</b>		<b>425,749,261</b>	<b>411,454,224</b>

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



County Director TVET

Date 17/11/2025



KIPKABUS TECHNICAL AND VOCATIONAL COLLEGE  
**PRINCIPAL**  
 Sign.....  
 Email: info@ktvc.ac.ke / principal@ktvc.ac.ke  
 P. O. Box 10882 - 30100, ELDORET

Date 17/11/2025



KIPKABUS TECHNICAL & VOCATIONAL COLLEGE  
**ACCOUNTANT**  
 17 NOV 2025  
 P. O. Box 10882 - 30100, ELDORET

Finance Officer

ICPAK No.33712

Date 17/11/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	-	(29,257,759)	405,284,718	376,026,959
Revaluation gain	-	29,627,284	-	29,627,284
Surplus for the year	-	-	-	-
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	-	369,475	405,284,718	405,654,193
<b>At July 1, 2024</b>	-	369,475	405,284,718	405,654,193
Revaluation gain	-	-	-	-
Surplus for the year	-	11,749,418	-	11,749,418
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	-	12,118,943	405,284,718	417,403,661

*Note:*

1. There were no prior year adjustments.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

**Kipkabus Technical & Vocational College**  
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**17. Statement of Cash Flows For The Year Ended 30 June 2025**

<b>Description</b>		<b>2024-2025</b>	<b>2023-2024</b>
	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
Cash flows from operating activities			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	19,651,925	24,063,000
Fees from students		69,587,626	48,608,596
Examination fee		6,168,870	3,134,120
Boarding Accommodation fee		1,432,100	1,722,920
Other income		1,082,400	884,470
<b>Total Receipts</b>		<b>97,922,921</b>	<b>78,413,106</b>
<b>Payments</b>			
Compensation of employees		11,126,374	9,309,381
Use of goods and services		66,855,843	64,457,289
repair and maintenance		4,087,680	5,502,958
board expenses		711,400	1,143,000
<b>Total Payments</b>		<b>82,781,297</b>	<b>80,412,628</b>
<b>Net cash flows from operating activities</b>	<b>21</b>	<b>15,141,624</b>	<b>(1,999,522)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(4,106,816)	(1,588,000)
Proceeds from sale of property, plant and equipment			
<b>Net cash flows used in investing activities</b>		<b>(4,106,816)</b>	<b>(1,588,000)</b>
<b>Cash flows from financing activities</b>			
Capital grants			-
Repayment of borrowings		-	-
Increase in deposits		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		11,034,809	(3,587,522)
Cash and cash equivalents at 1 July	14	1,872,251	5,459,773
Cash and cash equivalents at 30 June	14	<b>12,907,059</b>	<b>1,872,251</b>

*The examination fee, fees from students and boarding and accommodations fee all forms part of rendering of services.*

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

Details	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance Difference	% of Utilization
	a	b	c=a+b	d		e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Govt entities Govt grants	21,984,000	-	21,984,000	19,651,925	2,332,075	89
Rendering of services- Fees from students	123,394,338.00	-	123,394,338	100,269,338	23,125,000	81
Other Income	717,500	-	717,500	1,082,400	(364,900)	151
<b>Total income</b>	<b>146,095,838</b>	<b>-</b>	<b>146,095,838</b>	<b>121,003,663</b>	<b>25,092,175</b>	<b>83</b>
Expenses						
Compensation of employees	8,688,000	-	8,688,000	11,126,374	(2,438,374)	128
Use of Goods and services	103,188,382	-	103,188,382	75,201,443	27,986,939	73
Repairs and Maintenance	3,800,000	-	3,800,000	4,087,680	(287,680)	108
Remuneration of directors	3,419,456	-	3,419,456	711,400	2,708,056	21
Development	27,000,000	-	27,000,000	-	27,000,000	-
<b>Total expenditure</b>	<b>146,095,838</b>	<b>-</b>	<b>146,095,838</b>	<b>91,126,897</b>	<b>54,968,941</b>	<b>62</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,876,766</b>		<b>-</b>

**Budget notes**

- 1. The underutilization of the budget by Ksh.29,876,766 resulted due to delayed disbursements from the government and student debtors hence the college couldn't realize the budget as approved.*
- 2. The differences witnessed in the fees from transfers from other government entities arose from reduced number of trainees approved for funding of capitation due to the change in the funding model.*

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	29,876,766
1	Reason for differences	364,900
2	Reduction of rendering of services due to failure to meet the target number of students	(23,125,000)
3	Increase trainees' numbers witnessed caused increased trainers hence increased number of employees to be compensated	3,084,337
4	Lapse of Board members period before the close of the year	2,706,056
	Closing Cash and Cash Equivalent as per the statement of Cash flows	12,907,059

**19. Notes to the Financial Statements**

**1. General Information**

Kipkabus Technical & Vocational College is established by and derives its authority and accountability from Technical and Vocational Education and Training Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Technical 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 Kipkabus Technical and Vocational College accounting policies.

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

The financial statements have been prepared in accordance with the Public Finance Management Act, the State Corporations Act, the Technical and Vocational Education and Training Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Kipkabus Technical and Vocational College**  
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**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.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE, shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across

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	<p>IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul>

**iii. Early adoption of standards**

The Kipkabus did not early adopt any new or amended standards in year 2025.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **28 June, 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 did not record any additional appropriations for the FY 2024/2025 budget. 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 Institute is exempt from paying taxes as per first schedule of the income tax Act Cap 470.

***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. 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 using the following *rates Building and structures 25%, Furniture and fittings 15.50%, Computers 33.33% Plant & Equipment 25%*. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

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

**g) Intangible assets**

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

**h) Biological Assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

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

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

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

*Financial assets*

*Classification*

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

### **Financial liabilities**

#### **Classification**

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

#### **k) Inventories**

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

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

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

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

**Inventories (Continued)**

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

**l) Provisions**

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

***Contingent assets***

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

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

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

**q) Foreign currency transactions**

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

**r) Borrowing costs**

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

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

**s) Related parties**

The Kipkabus 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.

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**t) Service concession arrangements**

The Kipkabus 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 Kipkabus recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Kipkabus 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 Kipkabus financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Estimates and assumptions.

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

### Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Kipkabus.
- 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.

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.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	19,651,925	24,063,000
Operational Grant	0	0
Development grants	0	0
Other Grants	0	0
<b>Total unconditional Grants</b>	<b>19,651,925</b>	<b>24,063,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Other Organizational Grants	0	0
<b>Total Government Grants and Subsidies</b>	<b>19,651,925</b>	<b>24,063,000</b>

**(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	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs	
Ministry of Education	19,651,925	0	0	19,651,925	19,651,925	<b>24,063,000</b>
<b>Total</b>	<b>19,651,925</b>	<b>0</b>	<b>0</b>	<b>19,651,925</b>	<b>19,651,925</b>	<b>24,063,000</b>

**7. Rendering of services**

Description	2024-2025	2023-2024
	KShs	KShs
Tuition fees and related income	26,256,622	18,540,000
Examination fees	9,908,717	6,996,620
Boarding	32,766,423	23,136,620
Electricity Water & Conservancy	3,693,488	2,608,000
Local Transport & Travel	3,789,791	2,676,000
Medical	2,537,432	1,791,700
Personal Emolument	13,051,836	9,216,000
Repair Maintenance & Installation	2,203,630	1,556,000
Activity fees	3,795,455	2,680,000
Attachment fees	2,265,944	1,600,000
<b>Total revenue from the rendering of services</b>	<b>100,269,338</b>	<b>70,800,940</b>

**8. Other Income**

Description	2024-2025	2023-2024
	Kshs	Kshs
Other income- Application fee	1,082,400	884,470
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
<b>Total finance income</b>	<b>1,082,400</b>	<b>884,470</b>

**9. Use of Goods and Services**

Description	2024-2025	2023-2024
	KShs	KShs
Training Materials(SES)	16,610,816	10,280,321
Boarding	21,188,950	16,854,797
Local Transport & Travelling	6,907,372	7,596,802
Medical	118,750	67,200
Bank charges and commission	30,828	36,089
GPA Insurance	206,148	380,049
Assessment of students	923,950	853,531
Activity	2,410,440	2,263,248
Administrative costs	13,358,122	8,963,930
Exam	7,090,480	2,257,390
Development	4,620,420	1,223,766
Electricity Bills & Maintenance	1,735,167	1,461,108
<b>Total good and services</b>	<b>75,201,443.00</b>	<b>52,238,231</b>

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**10. Employee Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	9,287,280	9,309,381
Employee related costs - contributions to pensions and medical aids	0	0
Commissioner of Domestic taxes (House levy)	269,538	0
HELB	201,494	0
SHIF & NHIF	293,822	0
Social contributions (NSSF)	1,074,240	0
<b>Employee Costs</b>	<b>11,126,374</b>	<b>9,309,381</b>

**11. Board Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	711,400	1,143,000
<b>Total</b>	<b>711,400</b>	<b>1,143,000</b>

**12. Depreciation and Amortization expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	17,784,050	17,492,836
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>17,784,050</b>	<b>17,492,836</b>

**13. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	4,087,680	2,734,978
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
<b>Total Repairs and Maintenance</b>	<b>4,087,680</b>	<b>2,734,978</b>

14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	12,879,124	1,805,240
On - Call Deposits	935	935
Cash at hand	27,000	30,000
<b>Total Cash and Cash Equivalents</b>	<b>12,907,059</b>	<b>1,836,175</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1238352421	12,879,124	1,805,240
Equity Bank, etc.	1259544508	935	935
<b>Sub- Total</b>		<b>12,880,059</b>	<b>1,806,175</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		-	-
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>e) Others(Specify)</b>			
Cash in Transit		-	-
Cash in Hand		27,000	30,000
Mobile Money account		0	0
<b>Sub- Total</b>		<b>27,000</b>	<b>30,000</b>
<b>Grand Total</b>		<b>12,907,059</b>	<b>1,836,175</b>

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**15. Receivables from Exchange transactions**

**15 (a) Current Receivables from Exchange transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Current portion of receivables from exchange transactions	23,080,742	6,491,414
Receivables from sponsored students- NYS & AFDB	31,072,838	28,943,400
Receivables from new funding model students	13,775,501	12,591,219
Long term receivables from exchange transactions	25,909,885	25,909,885
<b>Total Current Receivables</b>	<b>93,838,966</b>	<b>73,935,918</b>

**15 (b) Ageing Analysis of Receivables from Exchange transactions**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	67,929,081	72	19,860,000	77
Between 1- 2 years	19,860,000	21	6,049,885	23
Between 2-3 years	6,049,885	7	(0)	0
Over 3 years	(0)	0	(0)	0
<b>Total (a+b)</b>	<b>93,838,966</b>	<b>100</b>	<b>25,909,885</b>	<b>100</b>

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	(0)	(0)
Write offs during the year	(0)	(0)
At the end of the year	<b>0</b>	<b>0</b>

*(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)*

**16. Receivables from non-exchange transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	22,923,000	22,923,000
Undisbursed Donor Funds	0	0
Less: Impairment Allowance	(0)	(0)
<b>Total Current Receivables</b>	<b>22,923,000</b>	<b>22,923,000</b>

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	100%
Between 1- 2 years	22,923,000	100%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	(0)	(0)
Written off during the year	(0)	(0)
At the end of the year	<b>0</b>	<b>0</b>

**17. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	2,152,990	6,500,000
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>2,152,990</b>	<b>6,500,000</b>

**Detailed disclosure on inventories**

	2024-2025	2023-2024
<b>Opening balance</b>	<b>6,500,000</b>	<b>0</b>
Additional Inventory in the year	18,640,600	22,100,000
Inventory expensed in the year	22,987,610	15,600,000
<b>Closing balance</b>	<b>2,152,990</b>	<b>6,500,000</b>

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18. Property, Plant and Equipment

Description	0.025		0.20	0.125		0.333	0.2	Total
	Land	Buildings & structures	Motor vehicles	Furniture and fittings	Computers	plant Equipment and Machinery	Capital Work in progress	
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>bal As at 1st JUL 2023</b>	<b>20,000,000</b>	<b>231,921,837</b>	<b>11,896,000</b>	<b>4,482,379</b>	<b>1,118,140</b>	<b>34,101,563</b>	<b>10,000,000</b>	<b>307,808,968</b>
Additions during the period	-	500,000	-	1,088,000	12,500,000	-	-	14,088,000
Disposals during the period	-	-	-	-	-	-	-	-
Transfers/adjustments during the period								
Depreciation . as at 1st July 2024	0	5,655,272	2,379,200	560,297	372,676	8,525,391		17,492,836
<b>bal As at 1st JUL 2024</b>	<b>20,000,000</b>	<b>221,055,614</b>	<b>9,516,800</b>	<b>5,010,082</b>	<b>13,245,464</b>	<b>25,576,172</b>	<b>10,000,000</b>	<b>304,404,132</b>
Additions during the period	-	4,091,175	-	598,287	1,106,000-			5,795,462
Disposals during the period								-
Transfers/adjustments during the period	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
<b>Bal As at 30th June 2025</b>	<b>20,000,000</b>	<b>226,146,789</b>	<b>9,516,800</b>	<b>,608,369</b>	<b>13,245,464</b>	<b>25,576,172</b>	<b>10,000,000</b>	<b>310,199,594</b>
<b>Depreciation and impairment</b>								-
Depreciation for the period	-	5,628,670	1,903,360	701,046	4,779,038	5,115,234	-	18,127,348
Impairment for the period	-	-	-	-	-	-	-	-
Accumulated Dep. as at 30th June 2025	-	5,628,670	1,903,360	701,046	4,779,038	5,115,234	-	18,127,348
<b>Net book values</b>								-
<b>As at 30th June 2025</b>	<b>20,000,000</b>	<b>219,518,119</b>	<b>7,613,440</b>	<b>4,907,323</b>	<b>9,572,426</b>	<b>20,460,938</b>	<b>10,000,000</b>	<b>292,072,246</b>
<b>As at 30th June 2024</b>	<b>20,000,000</b>	<b>221,055,614</b>	<b>9,516,800</b>	<b>5,010,082</b>	<b>13,245,464</b>	<b>25,576,172</b>	<b>10,000,000</b>	<b>304,404,132</b>

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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 have not been revalued. These amounts were adopted in the financial statements on June,2018.

**32 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	20,000,000	0	20,000,000
Buildings	221,055,614	5,628,670	219,518,119
Plant And Machinery	25,576,172	5,115,234	20,460,938
Motor Vehicles	9,516,800	1,903,360	7,613,440
Computers and Related Equipment	13,245,464	4,779,038	9,572,426
Office Equipment, Furniture, And Fittings	5,010,082	701,046	4,907,323
Work in progress	10,000,000	-	10,000,000
<b>Total</b>	<b>304,404,132</b>	<b>17,784,050</b>	<b>292,072,246</b>

**19. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	1,855,000	1,855,000
Additions	0	0
<b>At end of the year</b>	<b>1,855,000</b>	<b>1,855,000</b>
Additions–internal development	0	0
<b>At end of the year</b>	<b>1,855,000</b>	<b>1,855,000</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	0	0
Amortization	0	0
<b>At end of the year</b>	<b>1,855,000</b>	<b>1,855,000</b>
Impairment loss	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>NBV</b>	<b>1,855,000</b>	<b>1,855,000</b>

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20. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	8,345,600		5,800,032	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>8,345,600</b>		<b>5,800,032</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	8,345,600	100	5,800,032	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
<b>Total (to tie to totals above)</b>	<b>8,345,600</b>	<b>100</b>	<b>5,800,032</b>	<b>100</b>

21. Cash generated from operations.

Surplus for the year before tax	2024-2025		2023-2024	
	Kshs		Kshs	
<b>Adjusted for:</b>				
Depreciation	18,127,348		17,492,836	
Non-Cash grants received	(0)		(12,500,000)	
Contributed assets	(0)		(0)	
Impairment	0		0	
Gains and Losses on Disposal of Assets	(0)		(0)	
Contribution to provisions	0		0	
Contribution to impairment allowance	0		0	
Finance Income	(0)		(0)	
Finance Cost	0		0	
<b>Working Capital Adjustments</b>				
Increase in Inventory	(4,347,010)		1,731,728	
Increase in Receivables from new funding model	(1,184,282)		10,774,946	
Decrease in Receivables from Exchange	-		-	
Increase in Payables	2,545,568		(8,955,032)	
Increase in Payments received in advance	-		(10,544,000)	
<b>Net Cash Flow from Operating Activities</b>	<b>15,141,624</b>		<b>-1,999,522</b>	

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

### **(ii) Liquidity risk management**

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	-	-	5,800,032	5,800,032
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	<b>5,800,032</b>	<b>5,800,032</b>
<b>At 30 June 2025</b>				
Trade Payables	-	-	8,345,600	8,345,600
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	<b>8,345,600</b>	<b>8,345,600</b>

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**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities			
Trade and Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	<b>0</b>	<b>0</b>	<b>0</b>

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	10%	0	0
Usd	10%	0	0
<b>2025</b>			
Euro	10%	0	0
Usd	10%	0	0

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

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**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:

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve	0	0
Retained Earnings	20,682,372	237,066
Capital Reserve	405,284,718	405,284,718
<b>Total Funds</b>	<b>425,967,090</b>	<b>405,521,784</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(12,907,059)	(1,841,316)
Net Debt/(Excess Cash and Cash Equivalentents)	8,345,600	5,800,032
<b>Gearing</b>	<b>2.06%</b>	<b>1.43%</b>

## 23. Related Party Balances

### Nature of related party relationships

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

### Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
<b>Total</b>	-	-
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	1,833,496	1,461,108
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
<b>Total</b>	<b>1,833,496</b>	<b>1,461,108</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	19,651,925	24,063,000
Grants from County Government	-	-
Donations in Kind	-	-
<b>Total</b>	<b>19,651,925</b>	<b>24,063,000</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for xx Employees	-	-
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments	711,400	1,143,000
<b>Total</b>	<b>711,400</b>	<b>1,143,000</b>

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**24. Capital Commitments**

<b>Capital Commitments</b>	2024-2025	2023-2024
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	0	4,000,000
Authorised and Contracted for	3,500,000	0
<b>Total</b>	<b>3,500,000</b>	<b>4,000,000</b>

*The amounts authorised for during this financial year are with respect with the completion of Food and Beverage Restaurant that is currently under construction.*

**25. Events After The Reporting Period**

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

**26. Ultimate And Holding Entity**

The Kipkabus is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**27. Currency**

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

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Unpresented Cheques	The management have provided the supporting schedules for unpresented cheques.	Resolved	
2.	Unsupported Long-term Receivables from Non-Exchange Transactions	The management has provided supporting schedules for the Long-term Receivables from Non-Exchange Transactions having its ageing analysis	Resolved	
3.	Failure to Implement Budgeted Projects	The management appreciates the observation of non-implementation of the approved development projects. This arose due to delayed disbursements both from capitation and funds from National Youth Service.	Partially Resolved	
4.	Failure to Disburse Capitation to Eligible Students	The management during the acknowledgements of funds and summary of funding issued to county director has often written	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	.	on remarks requesting funding of students with no (KCSE Index number)	.	.
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
1.	Stalled construction of Engineering Tuition Block	The management wrote to the mentoring institution requesting for documentation for the stalled building which they only provided the payment vouchers The stalling of this Tuition Block was caused funding gaps where no other funds have been released to our institution with respect to the Engineering Tuition Block. The management has done a follow up by writing to the Ministry of Education in request for funding to complete the stalled building.	Not resolved	
2.	Non-Compliance with Minimum Requirements on Employee Ethnic Composition	In recruitment, the Board is guided by merit, fair competition, regional balance and diversity to include non-dominant groups. All vacancies once declared are advertised in the	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>Institution website to reach the widest readership as possible. Applications are received and processed. Every advertised post must attract a minimum of three applicants to proceed to the next stage, failure of which it shall be re-advertised. However, due to the location of the institution, interested applicants have been mainly from the domicile community leading to ethnicity imbalance. But in order to reduce the imbalance, the institution will be giving special consideration to non-dominant groups but guided with merit and fair competition.</p>		
3.	Failure to Deduct Tax on Board of Governors Allowances	<p>The management acknowledges the audit query regarding the non-deduction of tax on board allowances, as for the period starting 2024/2025 the management introduced the deduction of tax amount on board allowances and this deduction shall always be implemented in all future board allowances.</p>	Resolved	

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.	Failure to file annual Self-evaluation report with the Technical and Vocational Education and Training Board	We acknowledge the auditors' comments regarding the failure to file the annual self- evaluation report to the technical and Vocational Education Training board and we are committed to undertake the filling starting this Financial year 2025/2026	Not Resolved	
1.	Incomplete Asset Register	The Management has updated the assets register to include all relevant details asset description, unique asset identifier, serial number/engine no./chassis no, date of acquisition, supplier/vendor details, location, ownership status, Purchase cost, Depreciation and insurance information once the documentation is obtained.	Resolved	
2.	Lack of Internal audit Function	The management acknowledges the absence of an internal audit Function. This is caused by budgetary constraints and the costs required to employ an internal auditor. The	Partially Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		management sought to outsource the service of internal Auditor from Kaiboi National Polytechnic and approved. Further an internal audit Committee was constituted within the board.		
3.	Lack of Assets tagging	The management has begun undertaking the tagging of the college assets during the fourth quarter of Financial year 2024/2025 starting with trainees' lecture chairs followed by office furniture and fittings and computers.	Partially Resolved	
4.	Failure to Adhere to the Effectiveness of the Implementation of Audit Recommendations	The management during its preparation to appear at the parliamentary investment committee in the second quarter of FY 2024/2025 corrected the audit recommendations and was compiled.	Partially Resolved	
5	Non-Compliance with inventory Requirements and Unsupported Inventory Records	The management has provided the stock take and Inventory report	Resolved	

**Guidance Notes:**

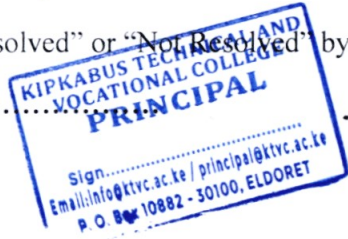
- (i) Use the same reference numbers as contained in the external audit report;

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- (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 Eric K. Tanui**  
**Accounting Officer**

**Date 17/11/2025**

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

**Projects**

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

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

**Status of Projects completion**

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

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

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

Name of transferring entity...Ministry of Education.....

Name of beneficiary entity.....Kipkabus Technical and Vocational College.....


Confirmation of amounts received by as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP/34(39)	25/09/2024	5,390,925	0	5,390,925	
MOE/DTE/CAP/46(52)	28/05/2025	14,261,000	0	14,261,000	
Total					

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 CPA CHIRCHIR ELIJAH Sign  Date 17/11/2025



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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

**Appendix V: Reporting on Disaster Management Expenditure**

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