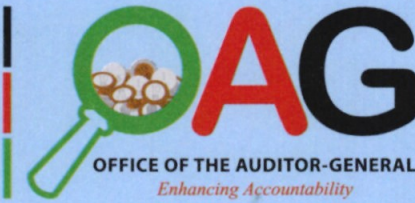


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REPORT

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ON

CARDINAL MAURICE OTUNGA TECHNICAL AND VOCATION COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2026	DAY: WEDNESDAY
TABLED BY:	HON. DR. ROBERT PUKOSE, MP
CLERK-AT THE TABLE:	CHRISTINE NDIRITU



**CARDINAL MAURICE OTUNGA TECHNICAL AND VOCATIONAL
COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

Cardinal Maurice Otunga 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

CS	Cabinet Secretary
PS	Principal Secretary
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
AIA	Appropriation in Aid
AFIRM	Administration, Finance, Infrastructure and Resource Management Committee.
ARC	Audit and Risk Compliance Committee
BBA	Bachelors Business Administration
BETA	Bottom-Up Economic Transformation Agenda
BCOM	Bachelor of Commerce
BOG	Board of Governors
BSc	Bachelors of Science
CBET	Competency Based Education and Training
CPAK	Certified Public Accountant Kenya
DTE	Diploma in Technical Education
ERIT	Education, Research, Innovation and Training Committee
ENG.	Engineer
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
JKUAT	Jomo Kenyatta University of Agriculture and Technology
JOUST	Jaramogi Oginga Odinga University of Science and Technology
KEMU	Kenya Methodist University
KIM	Kenya Institute of Management
KSTVET	Kenya School of Technical and Vocational Education Training
KSG	Kenya School of Government
KUCCPS	Kenya Universities and Colleges Central Placement Services
LLB	Legal Laws Bachelors
MBA	Masters Business Administration
MSc	Masters of Science
NGO	Non- Governmental Organization

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PFM	Public Finance Management
PhD	Philosophy of Doctorate Degree
PSASB	Public Sector Accounting Standards Board
SCM	Supply Chain Management
SGC	Single and Group Certificates
SP	Strategic Planning
TVC	Technical Vocational College
TVET	Technical Vocational and Education Training
UON	University of Nairobi

2. Key Entity Information and Management

(a) Background information

i)The College

Cardinal Maurice Otunga Technical and Vocational College is a National Government supported institution for training middle level technical manpower in the fields of Engineering Technology, Civil technologies, Information Communication Technology, Mechanical and Automotive Engineering, Process Technologies, Renewable Resource Technologies, Natural Resource Management, Business and Liberal Studies, Agriculture, Hospitality and Cosmetology. The college trains at the artisan, craftsman and technician level according to demand. The college was established in January, 2021 as a result of the Presidential Directive of 2020/2021, to increase access to technical and vocational education. The government set out and built the Cardinal Maurice Otunga Technical and Vocational College in Tulumba village, South Bukusu Location, Bumula constituency, Bumula Sub County, in Bungoma County. Cardinal Maurice Otunga TVC became one of the colleges that were constructed in between 2025 and 2024 with the use of NG-CDF funds.

The college was placed and is under the mentorship of Musakasa TTI. The State Department for TVET deployed the first Principal to the college in May 2024. The college had admitted its first batch of learners in May 2022. The institution is under the Ministry of Education, State department for Technical, vocational Education and training. The college has eight Staff deployed by the Public service Commission, seventeen BOG casual staff and five staff on internship.

The Primary objective of the college is to equip school leavers with occupational skills that would make them self-reliant so that they may earn a decent living without necessarily having “salaried jobs”. For this, and other reasons, the college lays great emphasis on the acquisition of practical skills and competencies, work attitudes, self- discipline and entrepreneurial skills through competence- based education and training. All level three module one lessons are conducted through functional projects.

ii)Legal Context

Cardinal Maurice Otunga TVC is registered as a technical and Vocational institution under the TVET Act, No. 29 of 2013; laws of Kenya. The operation of the college is thus governed by this Act and any other Act referred to therein. It has a Board of Governors (of the mentor institution) appointed by the Ministry of Education; which is responsible for TVET to manage it. The said Act governs the operation of Cardinal Maurice Otunga TVC in so far as conformity to national standards and codes of practices are concerned but for all practical purposes the Board is autonomous. The college therefore operates as a Government TEVT institution.

iii) Financing

The college is financed from a variety of sources. The greatest source of funding comes from the Government through the provision of teaching staff and some subsidized grants and scholarships for trainees. However, since the money required for building infrastructure and running the college is colossal, the Board of Governors, on behalf of the Cardinal Maurice Otunga TVC, solicits for funds from external sources. The trainees also seek for tuition fees from other sources such as applying for HELB loan and bursaries from NG-CDF and other sponsorship programmes.

(b) Principal Activities

- The principal activity of the Cardinal Maurice Otunga TVC shall be : -
- To Provide, directly or in collaboration with other institutions of higher learning, facilities for technical training in technical and professional education;
- To Participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic, social, cultural, scientific, and technological development;
- To Contribute to industrial and technological development of Kenya, in collaboration with the industry and other organizations, through transfer of technology;
- To Promote and establish a culture of innovation in engineering and technology and technology transfer amongst staff and trainees;
- To Develop an institution with excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya;
- To Provide a multi-level system of post-secondary school education and training programmes relevant to the needs of the community, covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between programmes;
- To Provide high quality education, research, commercial, cultural, social, recreational, sporting and other facilities;
- To Participate in commercial ventures and activities;
- To Foster the general welfare of all staff and trainees;
- To Provide opportunities for development and further training for staff of the college;
- To Develop and provide professional, technical and vocational services to the community and in particular, foster corporate social responsibility;

Vision Mission and Motto

Vision

To be a TVET centre of excellence in quality skills training and innovation

Mission

To provide practical, effective and high quality skills training for sustainable manpower development

Motto

Training To Serve

Core Values

The Board of Governors, the management and other stakeholders embrace the following core values which represent the fundamental beliefs that influence the way the college relates and deals with its customers and clients:

Integrity	<ul style="list-style-type: none">• The BOG & Employees of CMOTVC Undertake the highest ethical standards, demonstrating honesty and fairness in all operations.
Efficiency and Effectiveness	<ul style="list-style-type: none">• We are committed to efficient use of resources and always accountable for our actions.
Equity	<ul style="list-style-type: none">• We are committed to impartiality in dealing with all our stakeholders
Professionalism	<ul style="list-style-type: none">• We uphold impeccable professional standards in our work while adhering to ethical principles in service delivery
Teamwork	<ul style="list-style-type: none">• Board members and employees will work together, as one team, towards the realization of the CMOTV'S mandate.
Excellence	<ul style="list-style-type: none">• CMOTVC will not only meet but exceed customers' expectations.
Transparency	<ul style="list-style-type: none">• CMOTVC is a learning organization that embraces openness and accountability in Service provision to the customers

(c) Key Management

The Cardinal Maurice Otunga Training and Vocational College's day-to-day management is under the following Key organs:

- The Board of Management
- The Principal
- The Administration

(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:

S/No.	Name	Designation
1.	Mr Polycarp Ndeta Olungas	Mr. Ndeta Polycarp Olungas (PhD)
2.	Deputy Principal Administration	Mr.Collins Simiyu Mutambo
3	Ag. Registrar	Ms. Caren Nafula Nakitare
4	Ag Dean of Trainees	Ms. Milcah Sirengo
5	Finance Officer	CPA Christine Wamboka
6	Procurement Officer	Mr.Benjamin Makokha

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Institute Board of Governors has established a committee of the Board which provides oversight on the institute financial and other management matters. The Institute is also planning to establish an internal audit department that shall report to the Board Committee.

Parliamentary Committee Activities

The principal of Cardinal Maurice Otunga TVC is accountable to the National Assembly for the College's financial management. The Constitution of Kenya, 2010; 135(3) subject to clause 4, requires that the accounts of all governments and state Organs be audited by the Auditor General. Upon audit, the Annual Reports and Financial Statements are usually submitted to the National Treasury to ascertain whether the finances of the Institute were prudently managed.

- Audit and risk committee activities.
- Finance and operations committee activities.
- Academic committee activities
- Development partner oversight activities
- Other oversight activitie

(f) College Headquarters

Cardinal Maurice Otunga Technical And Vocational College
P.O. Box 2047 - 50200
Bungoma-Kenya

(g) College Contacts

Telephone: (254) 072086739
E-mail: [Cardinal Maurice Otungatechnical@gmail.com](mailto:CardinalMauriceOtungatechnical@gmail.com)
Website: [www.Cardinal Maurice Otungatvc.ac.ke](http://www.CardinalMauriceOtungatvc.ac.ke)

(h) Entity Bankers

Equity Bank Ltd
Bungoma Branch
P.O. Box 287-40109
Bungoma-Kenya

(i) Independent Auditors

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

Cardinal Maurice Otunga Technical and Vocational College
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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

3. The Board of Governors



Name: Dr. Brian Singoro
D.O.B: 1964
Key Qualifications: PhD (DMHA), MA (Econs), Bed (Arts), KACE
Work Experience: Senior Lecturer of Economics, Kibabii University Senior Trainer and Presiding officer with IEBC Kabuchai Constituency Bungoma County, Senior head of Department Bukembe High School, Senior Lecturer Department of Geography Kibabii Diploma Teachers Training College, Part-time lecturer in physical environment. Bachelor of technology in building and construction, Senior HOD Bungoma Baptist Girls, Senior supervisor, 2009 Kenya Population and housing census, Senior HOD Wamalwa Kijana High School, Principal St. Teresa's high school, Presiding officer General Elections, Founder Principal, St. Christopher's Mabanga Girls.

Dr. Brian Singoro is the Executive Board Member and the Chairperson of Board of Governors of Musakasa TTI.



Name: Dickson Ouma Opiyo
D.O.B: 31/03/1968
Key Qualifications:
 Bachelor of Technology in Civil Engineering (Egerton University)
 Higher Diploma in Construction (Structures Option)
 Diploma in Water Engineering

Work Experience:
 Registered Professional Engineering technologist Board of Kenya (KETRB)
 Member of Institute of Engineering Technologist (MIEK)
 Graduate Engineer with Engineer Registration Board (EAB)

Dickson Ouma Opiyo is the Executive Board Member of Musakasa TTI. and a member of Human Resource Training Research and Innovation Committee.



Name: Hilder Joice Shiraku Omwoyo

D.O.B: 15/11/1960

Key Qualifications:

1987-1987: Masters of Arts in Education-MA Ed, Bed in Southampton -UK

1980-1984: Bachelor of Education B.Ed

1978-1979: EAACE- Kereri Girls High School

1974-1975: EJSCE- Emalindi Primary School

1969-1973: CPE -DR. Aggrey Primary School

Work experience:

9/2020-12/2020: Paramount Chief Principal Kenyanjui TTI

2018-2020: Chief Principal KTTC

1991-1995: Senior Lecturer Kenya Science Teachers College

1987-1991: Lecturer Kagumo Teachers College

1984-1985: Eregi Secondary School

Mrs. Hilder Omwoyo is the Executive Board Member of Musakasa TTI and an Independent Board member.



Name: Ms Josephine Nyatuka Maraga

D.O.B: 26/04/1983

Key Qualifications:

Master Law Degree from University of Nairobi

Work experience:

Over 13 years of experience working as State Council and Magistrate .

Josephine Nyatuka Maraga is the Executive Board Member of Musakasa TTI and also serving as a Chairperson of Human Resource Training Research and Innovation Committee



Name: Ibre Boru Ali

D.O.B: 7/12/1985

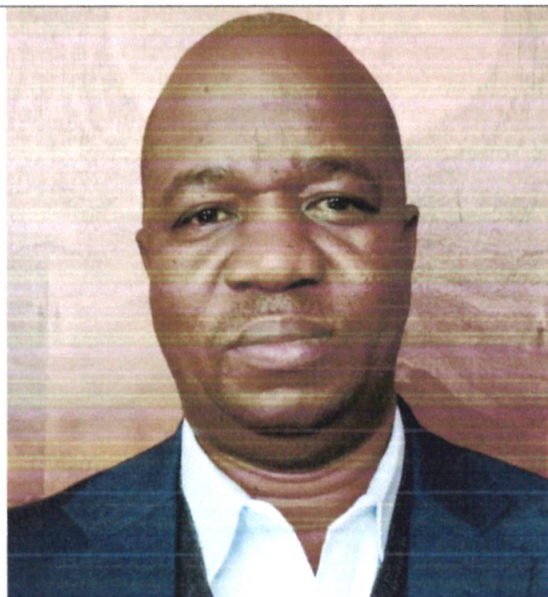
Key Qualifications:

Bachelor of Commerce Finance Option

Work experience:

16 years as a banker. 7 years working as a branch Manager and 7 years in senior Management .

Ibre Boru Ali is the Executive Board Member of Musakasa TTI and the Chairperson of Finance Planning and Development Committee



Name: Omugaka O.D. Panyako

D.O.B: 29/12/1966

Key Qualifications:

PhD Building Technology

Work experience:

30 years in profession

2009 to Date – Lecturer in Technical University of Kenya

2004 to 2009 -Lecturer in Kenya Polytechnic.

1993 to 2004- High school teacher.

Mr. Omugaka Daniel is the Executive Board Member of Musakasa TTI. and a member of Human Resource Training Research and Innovation Committee.



Name: Esther Njeri Kiaritha

D.O.B: 1977

Key Qualifications:

*PhD in Education Psychology – Moi University
Masters Degree in Education Psychology – Moi University*

Higher Diploma in Human Resource Management

Work experience:

2004 to Date Lecturer at Moi University.

Mrs. Esther Njeri Kiaritha is the Executive Board Member of Musakasa TTI. and the Chairperson of Risk and Audit Committee



Name: Martha Wekesa

DOB:1966

Qualification:

MSC Food Science & Technology, PGDE, SLDP, MSC

Work Experience:

25 years

Martha Wekesa is the CDTVET

4. Key Management Team



Name: Polycarp Ndeta Olungas

D.O.B: 1972

Position: Principal/Secretary to the Board of Governors.

Academic Qualifications:

(PhD) in Finance The University of Nairobi,
Master of Business Administration degree (in Finance) The University of Nairobi, Bachelor of Business Administration degree (in Finance with Information Technology)
Higher National Diploma in Human Resource Management (KNEC),
Higher National Diploma in Entrepreneurship Development (KNEC)
Diploma in Technical Trainer Education -Kenya School of TVET, Diploma in Supply Chain Management (KNEC),
Diploma in Co-operative Management (KNEC),
Diploma in Transport Management (KNEC),
Diploma in Management of NGOs – The Kenya Institute of Management,
Certificate in Senior Management Course (Distinction) - The Kenya School of Government,
Certificate in Business English (KNEC),
Certificate of Competence & Professional Development for TVET Principals & Deputy Principals – The Kenya School of TVET, Certificate in Project Management,
Certificate in Community Based First Aid – The Kenya Red Cross. A **Certified** Quality Management Systems Implementer (Apex), a **Certified** Trainer of Trainers, Assessor and Verifier for TVET CDACC Competence Based Assessment (CBA).

He is licenced trainer and registered with TVETA, a member of The Institute of Human Resource Management (K) and the Kenya Institute of Management. A Christian by faith and practice

Work Experience

Over 26 years. **Former** Head of Liberal Studies Department, Dean of Students, Deputy Principal Academics, Deputy Principal Administration, Contracted professional by KNEC (award winner), former Curriculum Developer KICD.



NAME: Collins Simiyu Mutamba

D.O.B: 19.12.1988

Position: Deputy Principal

Key Qualification:

Bachelor of Technology Education (Electrical and Electronics) University of Eldoret

Work experience:

9 years. Former Deputy Principal Kiptaragon TVC, former Examinations Officer Bureti TVC



NAME: Caren Nafula Nakitare

D.O.B: 13.07.1995

Position: Registrar

Key Qualification:

Bachelor of Science (General Agriculture) Jaramogi Oginga Odinga University of Science and Technology, CPA

Work experience:

6 years. Former HOD Agriculture, Registrar currently



Name: Milcah Nekesa Sirengo

D.O.B: 02.05.1996

Position: Dean of Students

Key Qualifications:

Diploma Technical Trainer Education –Kenya School of TVET, Diploma Food and Beverage Production – Sang’alo Institute of Science and Technology.

**Work experience :8 years
 3 years.** Current Dean of Students



Name: Christine Wamboka Koyabe

D.O.B: 17/07/1977

Key Qualification:

Certified Public Accountant CPAK (ICPAK Member)
 Bachelor of Commerce Accounting Option in Kibabii University
 Diploma in Accountancy (KNEC) in Western College of Arts and Applied Sciences (WECO)
 Currently pursuing a Masters Degree in Business Administration in Kibabii University

Work Experience:

22 years in Accounting Profession:
 2008 to 2020 - Senior Accountant KNUT Bungoma South Branch and KNUT Bungoma County
 2003 to 2008 -Bursar Napara Girls High School (Centre of Excellence)

Christine Wamboka is currently the Finance Officer-
 Musakasa Technical Training Institute



Name: Benjamin Makokha

D.O.B :31/07/1995

Key Qualification:

Bachelor's Degree in Supply Chain Management Kibabii University
Diploma Supply chain at Sang'alo Institute of Science and Technology

Work Experience:6 years

Benjamin Makokha is the Procurement Officer Musakasa Technical Training Institute

5. Chairman's Statement



Dr. Brian Singore, PhD

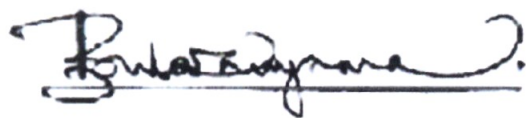
It is my pleasure that the members of this college, under the leadership of the Senior Principal, worked hard during the last financial year towards attaining the objectives of the college.

During the period under review, the college faced quite a number of challenges especially less income as was anticipated from the Government as well as delay in disbursements of scholarships for the quarters which has led to meagre tuition fee collection. There was also the challenge of low enrolment of trainees and poor fees payment by the trainees due to poverty in the surrounding community which also led to insufficient revenue collection. Due to unpredictable disbursement of scholarship by government and low fee collection over the last financial year, the college has been forced to reduce the number of BOG casual staff to cut costs.

In the period under review the college through the funds from government embarked on partitioning one classroom to create office space for the Principal, Deputy Principal, Registrar, Secretary, Assessment Officer, Stores, Accounts office and the HELB Loan Desk office space as its key priority area. The college also enhanced trainee recruitment campaign to increase enrolment. The college has formulated draft strategic plan covering FY.2024-2028 to guide operations for the next five years. The involvement of stakeholders in the formulation and finalisation of the plan is key and is a planned major activity in the FY 2024/2025.

The College Strategic Plan will help the college in achieving its mission and vision; to enhance quality of teaching and learning, to strengthen resource mobilisation to achieve financial sustainability, to develop and maintain physical and technological infrastructure and to improve corporate governance, partnerships and linkages for effective service delivery. The college has put mechanisms to establish production activities and to enhance Public Private Partnership. All these efforts are aimed at assisting the College generate the much needed revenue to support operations.

In conclusion therefore, the College's future is dependent on Government support and other key stakeholders. In this regard, I would like to register my special gratitude to the National Government through the Ministry of Education for the support and look forward to more of it during this financial year.

A handwritten signature in black ink, appearing to read 'Brian Singore', written over a horizontal line.

Dr. Brian Singore, PhD
Chairperson of the Board

6. Report of the Principal



It is my pleasure to present the Quarterly Report and Financial Statements of Cardinal Maurice Otunga TVC for the Year Ended 30th June, 2025. This has been a year of many challenges brought about by the economic hardship the country is facing.

Revenue Collection AIA

The tuition fee collection was less than anticipated to be collected during the FY 2024/2025. The meagre tuition fees collection is attributed to the unpredictable scholarship and HELB Loan disbursement from government and poor fee payment by trainees due to high levels of poverty within the community. Since the college relies on this stream of revenue to finance its operations, most of the programs have been generally affected.

The achievements in the FY.2024/2025 financial year did match with expectation due to the challenges brought about by unstable disbursement of scholarship by government as a result of economic challenges facing the country. However, some of the key achievements include the following

Academic Matters:

The college continued with its core business of Teaching, Training and Research. The trainees were able to learn and the assessments were conducted.

Trainees Affairs

Although the College did not have sufficient funds, trainees were able to participate in cultural week competitions as part of co-curricular activities.

Trainee Recruitment marketing campaign

Increased marketing activities were carried out and yielded fantastic results. The college increased trainee enrolment to a population of 636 trainees.

Strategic Plan

During the year under review the college developed a draft strategic plan covering the year 2024-2028. The plan will be finalised and implemented and will help the college in achieving its vision and mission.

NTVC Future Outlook

In light of the progress being made in 2024, and in line with our strategic objectives that we have committed ourselves to accomplish, we have every confidence that we will be able to achieve our targets.

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

As far as our business performance is concerned, we can say, our focus is to enhance quality of teaching and learning through implementation of CBET modularised curricula, enhance financial resource mobilisation, improve on research and innovation and improving corporate governance, partnerships and linkages for effective service delivery remain our key priority areas. They will not only lead us to financial sustainability, but provide overall support at a time when we are still working on driving growth in all areas of the institution.

Government support

On behalf of the College, I wish to take this opportunity to thank the National Government for human resource and financial support accorded to the college within the financial year.

Finally, I would like to express my thanks to the College Board (from mentor institution) for providing policy guidelines and the entire college community for working tirelessly to ensure successful and smooth operations of the college. I would also like to thank our stakeholders for their continued support and confidence in our leadership and vision.


.....
Polycarp Ndeta Olungas (PhD)
Principal/Accounting Officer



7. Statement of Performance against Predetermined Objectives

In July 2024, the College Board identified some key elements of the College Strategy which would need to be addressed as a matter of imperative to provide the foundations for delivery of strategy. It was agreed that the College would focus their attention on these key pillars and the delivery of a number of specific impacts.

Cardinal Maurice Otunga TVC has strategic themes and objectives within the current Strategic Plan for the FY.2024/2025 . These strategic pillars are as follows:

Strategic Theme/Issue: Quality Training for Sustainable Development

Strategic Objective 1: To enhance teaching and learning

Strategies

1. Implement CBET modularised market driven courses in liaison with the industry
Entrench CBET by implementing approved CDACC curricula

Strategic Theme/Issue: Resource Mobilization and Management

Strategic Objective 2: To Improve Resource Mobilization and utilization for financial sustainability

Strategies: Proposal writing, fundraising events, seeking donations, Partnerships, increase trainee enrolment

Strategic Theme/Issue 3: Develop and maintain physical and technological infrastructure

Strategic Theme/Issue 4: Improve corporate governance, partnerships and linkages for effective service delivery

Strategic Theme/Issue 5: Improve the institutional research and innovation

Cardinal Maurice Otunga TVC develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Cardinal Maurice Otunga TVC partially achieved its performance targets set for the FY.2024/25 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
STRATEGIC THEME/ISSUE: Quality Training for Sustainable Development	To enhance teaching and learning	Availability of the CBET programmes	Procure CBET curricula, OS and launch relevant market driven CBET courses	Implemented CBET courses in all departments
STRATEGIC THEME/ISSUE: Resource Mobilization and	To Improve Resource Mobilization and utilization for financial	Amounts of Funds Sourced	Develop a resource mobilization Strategy Sourcing funds as per Board Mandate	Work in progress

**'Cardinal Maurice Otunga Technical and Vocational College
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	sustainability			
STRATEGIC THEME/ISSUE 3: Develop and maintain physical and technological infrastructure	Quality of Electricity and Distribution System	4 interruptions every month	Upgrade electricity supply and distribution system	Work in progress
STRATEGIC THEME/ISSUE 4: Improve corporate governance, partnerships and linkages for effective service delivery	To Increase partnerships and collaboration with industry	No. of collaborative initiatives formed	Identify and work with key partners in industry and communities to collaborate in the development of skills	We Entered MoUs with 2 industries
STRATEGIC THEME/ISSUE: Research, Innovation and Technology	To improve the institutional research and innovation capacities for alignment with industry	No. of funded proposals No. of trainers and trainees who are writing winning research proposals	Develop winning research proposal writing skills among the trainers and trainees	We held a research forum during open day.

8. Corporate Governance Statement

Cardinal Maurice Otunga TVC is a Government Tertiary technical and Vocational Education and training institution established through the TVET Act No. 29 of 2023. The College's core activity is to provide vocational and technical education and research. The College's vision is to be a reputable institution in innovation, research, training and the production of highly skilled personnel and market driven merchandise.

Cardinal Maurice Otunga TVC Board is committed to the highest standards of financial reporting and corporate governance in order to increase the long-term value for all stakeholders.

Current Constitution and appointment of the College Board

The Board comprises of nine (9) Board members (Musakasa TTI Board), eight of whom are appointed by the Cabinet Secretary of Education excluding the Principal and the County Director of TVET. Their brief biographies are on page VI. The Board defines the College's strategies, objectives and values and ensures that procedures and practices are set in place to ensure effective control over strategic, financial, operational and compliance issues. The Board members bring a wealth of experience and knowledge to the Board's deliberations. The Board members are appointed by the Cabinet Secretary of Education for three years and may be re-appointed for another three years; to serve for a maximum of six years.

The Board has delegated authority for the day-to-day operations of the College to the Principal of the College as the Chief executive officer. The senior principal responsibility of the Board is to define strategies of the college and to ensure that the College complies with statutory and regulatory requirements as well as its responsibilities to the stakeholders. The Board meets at least four (4) times in a year for scheduled meetings and on other occasions as may be necessary.

Trainees Enrolment

Cardinal Maurice Otunga TVC has not experienced a steady growth in trainee population as envisaged in our plan. There has been low enrolment especially in STEAM courses. However, the number of trainees has been increasing marginally in the financial year FY.2024/2025.

Table 5

Enrolment Data by Course

Year	Level 3	Level 4	Level 5	Level 6	Total
2024/2025	165	142	182	147	636

Table 6

Enrolment Data by Gender

Year	Female	PWDs	Male	Total
2024/2025	362	2	274	636

Major Potential Risks that the College may face

Cardinal Maurice Otunga Technical and Vocational College

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

	Type of Risk	Category	Mitigation
a.	Inflation	Economic risk	Taken care of during budgeting process
b.	Ethnic differences/ clashes	Social risk	Peace Initiatives by local leaders
c.	Leaking college complex roof risk	Structural risk	Repair and Maintenance
d.	Inadequate staff and BOG staff turnover	Technical risk	Human Resource Planning Intervention
e.	Insufficient funding due to inadequate exchequer allocation and low revenue collection especially due to low enrolment	Economic risk	Increase resource mobilization effort by management and board.
f.	New government regulations such as the new funding model as it's still new and not properly understood	External risk	Increased awareness
g.	Non- compliance with legal and statutory obligations due to lack of enough funds	Economic risk	Increased resource mobilization and prioritization
h.	Inadequate infrastructure	Economic risk	Planning, & implementing resource mobilization strategy

Implementation of Government Agenda (BETA)

9. Management Discussion and Analysis

The College Operational and Financial Performance.

Generally, the College operated at a net surplus of Kshs.22,560,797 during the financial year 2024/2025. This was majorly due to increase in student population on IPSAS Accrual .

Compliance with Statutory Requirements

The College is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015 •
- IPSAS standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

Key Projects the Institute Implemented

Proposed Tuition Block Complex

A proposal was made to the government for funding of a Tuition Block Complex . This will address the issue of facilities that has limited enrolment in the College for lack of capacity. This project is anticipated to cost Kshs.25,938,824 and is to be financed by Government of Kenya.

Major risks the Institute is facing; Operational Risks

The Institute faces competition for resources including; students, staff and financial resources.

The Institute's financial assets are trade receivables as well as cash and short-term deposits which arise directly from its operations. The Institute has financial liabilities comprising trade and other payables which are all current.

The management has ensured timely payment to suppliers, contractors and other service providers, hence no historic debt. The Institute has exposure to the following risks: i) Liquidity risks ii) Credit risks

The Board has overall responsibility for the establishment and oversight of the Institute's risk management framework. **Liquidity Risk**

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation.

Credit Risk

Credit risk is the risk of financial loss to the Polytechnic if a customer or counter party to a financial instrument Fails to meet its contractual obligations, and arises principally from the organization's receivables from customers.

The Institute receives fees from students as well as capitation from the Government which minimizes the credit risk exposure.

Material Arrears and Financial Obligations

The Institute had substantial fees arrears totaling to Ksh.22,954,819 from exchange transaction from Non Exchange Transaction which had not been received by the year end last financial year was due to strained flow of Government funds.

10. Environmental and Sustainability Reporting Statement

Cardinal Maurice Otunga TVC recognises environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. In this respect Nyakach NTVC is:

- a) Partnering with KEFRI in planting trees as greening and beautification TVET priority areas which contributes to environmental sustainability.
- b) Is committed to maintain a healthy environment. Cardinal Maurice Otunga TVC is carrying its operations with eco-friendly materials.
- c) Our activities include green initiatives in tree planting capacity building programmes; programmes aimed at restoring dignity to the community's environment and conservation measures.
- d) A green environment is what we advocate for and for that reason we support Green initiatives in tree planting as a government agenda. In 2024/25 we participated in tree planting around the college where we planted more than 1000 tree seedlings.
- e) The college is partnering with a local CBO Integrated Action Oriented Women (INAO W) for purposes of tree planting program within the community.
- f) The College will train farmers on better farming methods that conserve resources and energy in all aspects of production.

Sustainability Strategy and Profile

Cardinal Maurice Otunga TVC is aware that environmental sustainability is one of the most important and urgent issues facing society. Tertiary institution like ours, with hundreds of trainees, staff and building; we have a significant part to play in facing the global challenges of climate change and biodiversity loss. The College takes this duty seriously and is committed in to taking deliberate measures to reduce environmental degradation in our communities through community empowerment programs. All our competency Based Education and Training curricula are embedded with basic skills on Environmental literacy for trainees.

Our Environmental Sustainability Strategy identifies three priority areas in which we will take action through a range of programs and services. The Environmental Sustainability team is helping the College reach these goals and increase its positive impact on the world around us.

The world is facing increasing environmental threats which are posing severe scientific, social and economic challenges to the human race. These challenges include: the depletion of natural resources, the loss of diversity and the need to develop new forms of energy generation whilst efficiently utilizing existing energy sources. Tackling these environmental problems and

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

establishing a sustainable environment requires the adoption of appropriate policies and managerial strategies. Cardinal Maurice Otunga TVC is implementing policies that promote environmental conservation. We are promoting solar energy, energy saving stoves and we empower the community on environmental Sustainability and Green Technology which is designed to provide an interdisciplinary understanding of environmental challenges. We give opportunity to the trainees to acquire knowledge in several sustainability themes in courses related to energy generation, biological science, green information technology and project management.

We help departments to reduce their environmental impact through sustainable procurement, waste management schemes, and the efficient use of energy, water, and waste;

We continue to invest in energy efficiency technologies and we are planning to install solar photovoltaic panels around the College.

- All of our non-hazardous waste is either recycled or used to generate energy.

The College acknowledges the three pillars of sustainability: social, economic and environmental. The College takes on economic and social sustainability in areas such as access and participation. Our Strategy is focused on environmental sustainability, but the social and economic impacts of implementing it will also be taken into consideration.

Environmental performance

Cardinal Maurice Otunga TVC has a policy on environmental management guiding all our efforts on environmental management. The policy has enabled the institution to carry out environmental audits and take actions such as tree planting to act as wind breakers to the college complex, creation of awareness of the Waste management to reduce environmental pollution and destruction

Employee Welfare

Cardinal Maurice Otunga TVC has Human Resource Policies and Procedure Manual; a document that provides human resource policies and steps to actualise the human resource policies outlined therein. The Manual governs the relationship of the College with its workers without discrimination; it supports the overall objectives of the institution. It provides advance information and predictable decisions that are repetitive and widely occur throughout the institution.

The college appreciates that human resource is key in the utilisation of all other resources and therefore key in the organisation of these resources to maximise productivity. It has therefore made it a concern and priority, the need to highly motivate staff so as to remain competitive and relevant. It is against this background that the college strives to pay employees' salaries in time.

Career Guidelines

The College's grading structure, qualifications and other requirements for recruitment in the College Service are laid down in the Career Guidelines/HR Manual. The Career Guidelines are

followed in processing appointments and promotions of employees in their respective fields of employment.

Training And Development

All newly appointed employees undergo induction training at the College and visit all the departments of the College during the first week of reporting for familiarisation.

The College carries out Training Needs Assessment. All training in the College for staff is based on comprehensive training Need assessment (TNA) conducted annually or as need arises. The aim is to identify performance gaps, determine their causes and recommend the appropriate intervention. To identify the training needs of individual employees that impact on their performance, the immediate supervisor holds regular discussion with the employee. To adequately address the performance gap, training objectives are aligned to the College's strategic plan, objectives, goals and the Performance Appraisal System (PAS). The identified training needs are prioritized and training plans developed and implemented.

Code Of Conduct

The College has PSC general rules of conduct are observed by staff so as to maintain integrity and uphold the dignity of the public office to which he/she has been appointed. Every staff occupies a special position in the College and are required ensure that their conduct both in public and in private life does not bring the College into disrepute.

The College has regulations governing discipline at the College and the procedure to be followed in cases of breach of discipline are contained in that manual.

Health And Safety

The Board of Cardinal Maurice Otunga TVC recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, the Board has developed and implements policies and programmes that assure their protection from such hazards and disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws and relevant Cardinal Maurice Otunga TVC policies.

Cardinal Maurice Otunga TVC recognizes that, in addition to offering pay benefits, and a healthy working environment to employees, their emotional and social needs should also be catered for as they discharge their duties.

The College has policy that addresses the various social and health challenges confronting employees in the workplace.

- i. The College has HIV/AIDs Policy that recognises HIV/AIDS as a Workplace Issue. Non-Discrimination.
- ii. Counselling Services
- iii. Drug and Substance Abuse counselling and Drug use prohibition
- iv. Work environment- Management has ensured maintenance of a smoke-free working environment. Accordingly, no person is permitted to smoke any tobacco or tobacco products while on the College's premises.

- v. Each employee is duty-bound to maintain a clean and healthy working environment
- vi. Medical Attention - On first appointment, an employee is required to undergo a thorough medical examination for purpose of health records. They are then registered for NHIF.

Market place practices

The College management embraces best practices in all the operations and activities of the college. The college has service delivery charter at the entrance to the college and the entrance to the Principal's office. The service charter provides information on services delivery timelines and cost to the public and our staff. The management has also ensured that the staffs deal responsibly, openly and fairly with clients and partners/stakeholders by:

- i Serving our clients with dignity, courtesy and respect.
- ii Continuously providing efficient and effective services.
- iii Adhering to ethical and equitable service provision principles
- iv Enhancing transparency, integrity and accountability
- v Observing the principle of natural justice.
- vi Maintaining appropriate confidentiality
- vii Discharging our duties professionally and with due diligence and
- viii Ensuring delivery of affordable, accessible quality education.

The College also has mechanisms such as monitoring whether trainers and trainees attend classes, and receives feedback from trainees on service delivery through teaching feedback evaluation Form administered by HODs to trainees. The purpose is to ensure that trainees get quality service delivery and value for their money.

CMOTVC Marketing Strategy

Cardinal Maurice Otunga TVC has adopted various competitive strategies to remain competitive in the market. The aim is to increase trainee recruitment. These strategies are product differentiation, cost leadership, customer focus, use of internet/social media to market our programmes, online application, quality and competent trainees and timely release of results, strategic alliances, Partnership with National Government in trainee recruitment campaign.

Corporate Social Responsibility / Community Engagements

Cardinal Maurice Otunga TVC was founded for public benefit, to promote vocational and technical education and to provide a vocational and technical institution open for all, irrespective of social economic status, creed or political belief. It is government institution established to make vocational education available to women, youths, the less fortunate in society and those unable to pursue university education. The College firmly stands on values of giving back to society and seeks to replicate this commitment to the academic enterprise and to wider society through all its operations and activities. The College endeavours to conduct business in accordance with the principles of selflessness, integrity, professionalism, accountability and equity.

Cardinal Maurice Otunga TVC Corporate Social Responsibility is centred on three pillars:

- People and community

- Environmental sustainability
- Finance and economic activity

People and Community

The College is an employer. Cardinal Maurice Otunga TVC is committed to being a good employer, and to contribute positively to the local community, the education sector in Kenya and to global community. As an employer the College is committed to ensuring that all staff members are fully supported in their work, have a decent working environment, and are fairly rewarded. The college also encourages and supports staff to engage in activities which benefit the wider community.

In order to achieve this, the College commits to:

- Embedding quality and diversity into all operations
- Allowing staff time for civic and public duties.
- Ensuring staff can achieve their full potential through training, mentoring, and other staff development activities.

Local Community

Cardinal Maurice Otunga TVC is a major tenant and employer in the local community with considerable economic impact in neighbourhoods. It opens up events and facilities to the public and participates in specific community engagement projects.

In support of the local community, Cardinal Maurice Otunga TVC through research and outreach program is to undertaken free training to the farmers on the following:

- Training farmers on poultry keeping techniques
- Enhancing farmers' knowledge and skills on how to generate more farm produce from their small-scale farms.

Freedom of Expression

As an academic institution, the College encourages debate and discussion freely and democratic ideas where this does not threaten the health and safety of staff, trainees or visitors, and does not infringe upon others' rights to freedom of expression and association.

11. Report of the Board of Management

The Board submit their report together with the audited financial statements for the year ended June 30, 2025, which shows the state of Cardinal Maurice Otunga Technical Vocational College's affairs.

Principal activities

The principal activities of the Cardinal Maurice Otunga TVC continue to be provision of training of Level 3, Level 4, Level 5 and Level 6

Results

The results of the entity for the year ended 30 June 2025 are set out from page 1

Board of Governors

The members of the Board of Governors who served during the year are shown on page x to xiii.

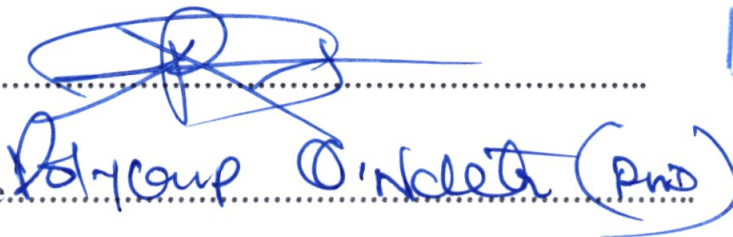
During the year none of the governors retired/ resigned and non was appointed (Musakasa TTI).

Auditors

The Auditor General is responsible for the statutory audit of the Cardinal Maurice Otunga TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

.....
Name.....


.....



Accounting Officer/Principal

12. Statement of Board of Board of Governors

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government College shall prepare financial statements in respect of that College. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Cardinal Maurice Otunga Technical Vocational College's is responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 20xx. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Cardinal Maurice Otunga Technical Vocational College accepts responsibility for the College's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of Maurice Otunga Technical Vocational College confirms that the College has complied fully with applicable Government Regulations and the terms of external financing covenants and that the College's funds received during the year under audit were used for

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

the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the College's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

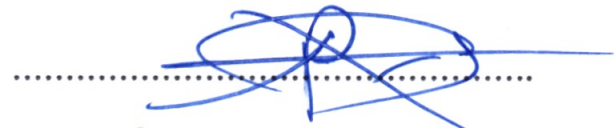
Approval of the financial statements

The Cardinal Maurice Otunga TVC's financial statements were approved on19/8/2025and signed by:



Name: Dr. Brian Singore

Chairperson of the Board



Name: Polycarp O. Ndeti

Principal/Manager



REPUBLIC OF KENYA

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Anniversary Towers
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CARDINAL MAURICE OTUNGA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Cardinal Maurice Otunga Technical and Vocational College set out on pages 1 to 35, which comprise of the

Report of the Auditor-General on Cardinal Maurice Otunga Technical and Vocational College for the year ended 30 June, 2025

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

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

Basis for Qualified Opinion

Doubtful Recoverability of Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.22,954,819 and as disclosed in Note 16 to the financial statements. The balance includes receivables amounting to Kshs.2,895,442, Kshs.609,075, and Kshs.14,082,978 which had been outstanding for a period of more than three years, up to three years, and up to two years respectively. However, Management did not provide evidence of efforts made to recover the debts, and did not provide debt management policy for audit review.

In the circumstances, accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.22,954,819 could not be confirmed.

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

Key Audit Matters

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

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

Review of college payroll provided for audit review revealed missing bio staff data including full name of employee, payroll number, designation, bank name and branch, bank account number, statutory registration numbers (PIN, NSSF, NHIF, ID), emolument details, date of birth, and date of appointment.

This was contrary to Paragraph B.12 of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that (1) A candidate on first appointment shall provide the following documents: (i) National identity card; (ii) Birth Certificate; (iii) KRA tax PIN; (iv) Original academic and professional certificates duly authenticated by the issuing authority; (v) Certificate of good conduct from the Directorate of Criminal Investigations; (vi) Colour Passport size photograph; and (vii) Bank account details.

In the circumstances, the completeness and effectiveness in payroll management could not be confirmed.

2. Long Outstanding Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.601,330 as disclosed in Note 20 to the financial statements. However, payables amounting to Kshs.80,000 had been outstanding for more than three (3) years and no explanation was provided by Management on the failure to settle the debts on time.

This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which requires that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure that the Government does not default on debt obligations.

In the circumstances, Management was in breach of law.

3. Failure to Prepare and Submit Quarterly Financial Reports

During the year under review, Management did not prepare and submit quarterly financial reports to The National Treasury by the statutory date of fifteen days after the end of each quarter. This was contrary to Section 83 of Public Finance Management Act, 2012 states that an accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity.

In the circumstances, Management was in breach of law.

4. Lack of Updated Fixed Asset Register

During the year under review, the College did not maintain an updated fixed asset register indicating property, plant and equipment details including date of acquisition/valuation, name of supplier, identification number, details of the asset cost/valuation amount, depreciation for the year, accumulated depreciation and net book value.

This was contrary to Regulation 143 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Reports

During the year under review, the College's operations were not reviewed by internal audit unit. As a result, the college did not benefit from the mandate of internal auditors which includes (a) review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in national government entities, (b) give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization; and (c) review the effectiveness of the financial and non-financial performance management systems of the entities as stated in Regulation 160 of the Public Finance (National Government) Regulations, 2015.

In the circumstances, the effectiveness of the College's internal controls could not be confirmed.

2. Lack of Risk Management Policy

During the year under review, the College did not have a risk management policy in place and, did not have approved processes and guidelines on how to mitigate operational, legal and financial risks. In addition, the Management did not perform formal risk assessments on all key financial risk areas such as cash, revenue and expenditure.

In the absence of a risk management policy, the Management was not in a position to identify individual risks, significance areas, likelihood of occurrence of identified risks and the appropriate control measures.

3. Lack of Scheme of Service

Review of human resource records revealed that the College did not have approved schemes of service for the various cadres detailing the job grading structure, job descriptions and appointment specifications across the various cadres of establishment. This was contrary to proper career management and best human resource practices require that institutions develop and implement Human Resources tools for attracting and retaining a qualified and motivated work force.

In the circumstances, the effectiveness of human resources management could not be confirmed.

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

Responsibilities of the Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

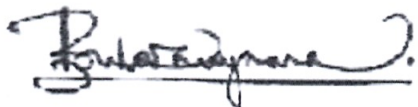
11 December, 2025

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

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

	Notes	Jun-25 Kshs
Revenue from non-exchange transactions		
Transfers from the National Government – grants/ gifts in kind	7	1,499,483
Total Revenue from non-exchange transactions		1,499,483
Revenue from exchange transactions		
Rendering of services- Fees from students	8	24,859,930
Other income	9	1,007,777
Revenue from exchange transactions		25,867,707
Total revenue		27,367,190
Expenses		
Use of goods and services	10	2,878,731
Employee costs	11	1,464,000
Depreciation and amortization expense	12	390,832
Repairs and maintenance	13	72,830
Total expenses		4,806,393
Other gains/(losses)		
Net Surplus for the year		22,560,797

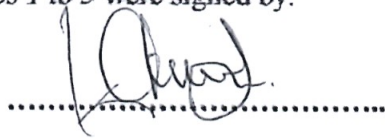
The financial statements set out on pages 1 to 5 were signed by:



Name Dr. Brian Simpevo

Chairman of Board

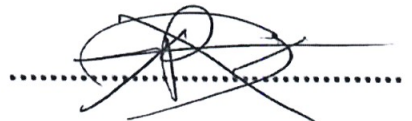
Date 31/12/25



Name SPA Chuma Wambui

Accountant
ICPAK No. 25961

Date 31/12/25



Name Prince Ndeta

Principal

Date 31/12/25

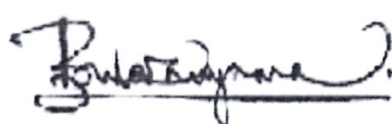


PRINCIPAL
CARDINAL MAURICE OTUNGA
TECHNICAL AND VOCATIONAL COLLEGE
P O Box 2047-50200, BUNGOMA

Cardinal Maurice Otunga Technical And Vocational College
Annual Report and Financial Statements for the year ended June 30, 2025

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

	Notes	Jun-25	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	117,003	11,367
Receivables from exchange transactions	16	22,954,819	0
Receivables from non-exchange transactions		-	
Inventories	18	471,535	0
Total Current Assets		23,543,357	11,367
Non-current assets			
Property, plant and equipment	19	15,840,438	16,155,270
Intangible assets		-	0
Total Non-current Assets		15,840,438	16,155,270
Total assets (A)		39,383,795	16,166,637
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	601,330	0
Payments received in advance	15	55,031	0
Total Current Liabilities		656,361	0
Non-current liabilities			
Borrowings		-	
Total Non-current liabilities		-	0
Total liabilities (B)		656,361	0
Net Assets (A-B)		38,727,434	16,166,637
Represened By:			
Revaluation Reserve		-	
Accummulated Surplus		22,560,797	0
Capital Fund		16,166,637	16,166,637
Net aAssets		38,727,434	16,166,637

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

		
Name <u>Dr Brian Sinyoo</u>	Name <u>Shy Chirwa Nambwa</u>	Name <u>Polycarp Ndete</u>
Chairman of Board	Accountant ICPAK No. <u>25961</u>	Principal
Date <u>3/12/25</u>	Date <u>3/12/25</u>	Date <u>3/12/25</u>

PRINCIPAL
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Cardinal Maurice Otunga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Accumulated surplus	Reserves	Capital Fund	Total
Fund balance as at 1 July, 2024	-	-	11,367	11,367
Adjustments		-	-	
Recognition of Assets	-	-	16,155,270	16,155,270
Recognition of Liabilities		-	-	-
As at July 1, 2024	-	-	16,166,637	16,166,637
Return to Exchequer	-	-	-	
Surplus/ deficit for the year	22,560,797	-	-	22,560,797
Capital funds received in the year	-	-	-	-
As at June 30, 2025	22,560,797	-	16,166,637	38,727,434

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

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

	Note	Jun-25 Kshs
Cash flows from operating activities		
Receipts		
Transfers from other Government entities/Govt. grants		1,499,483
Rendering of services- Fees from students		1,569,109
Other incomes		1,007,777
Total Receipts		4,076,368
Payments		
Compensation of employees		1,046,910
Use of goods and services		2,774,992
Repairs and Maintenance of Infrastructure		72,830
Total Payments		3,894,732
Net cash flows from operating activities		181,636
Cash flows from investing activities		
Purchase of property, plant, equipment		- 76,000
Purchase of intangible assets		-
Proceeds from the sale of property, plant, and equipment		-
Net cash flows used in investing activities		- 76,000
Cash flows from financing activities		
Proceeds from borrowings		-
Repayment of borrowings		-
Development grant		-
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents		105,636
Cash and cash equivalents at 1st July 2024		11,367
Cash and cash equivalents at 30th June 2025		117,003

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

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget Utilization Difference	Utilization difference
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Receipts						
Transfers from other Govt entities Govt grants	2,000,000	-500,000	1,500,000	1,499,483	517	99.97
Rendering of services- Fees from students	59,126,320	-34,266,390	24,859,930	24,859,930	-	100.00
Other incomes	750,000	255,000	1,005,000	1,007,777	- 2,777	100.28
Total receipts	61,876,320	-34,511,390	27,364,930	27,367,190	-2,260	
Payments						
Compensation of employees	11,333,520	-9,710,000	1,623,520	1,464,000	159,520	90.17
Use of Goods and services	45,676,640	-24,801,390	20,875,250	17,976,801	2,898,449	86.12
Repairs & Maintenance	2,866,160	0	2,866,160	72,830	2,793,330	2.54
Depreciation	2,000,000	0	2,000,000	390,832	1,609,168	19.54
Total payments	61,876,320	- 34,511,390	27,364,930	19,904,463	7,460,467	
Surplus/Deficit	-	-	-	7,462,727	- 7,462,727	-

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

- **Expenditure Control:** Actual spending was out of available resources of the final budget, indicating financial constraints especially under repairs and maintenance.
- **Net Position:** The College underperformed due to lack of government funding.
- **Depreciation charge:** Depreciation was charged on plant property and equipment of existing assets in the college

2. Reallocations within the year: (Explain whether the changes between the Original and Final Budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.2)

Budget Reconciliation to the Statement of Cash Flows	
Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	7,462,727
1 Rendering of services student fees not paid	22,954,819
Compensation of employees not paid	417,590
2 Use of goods and services not paid	15,125,809
3 Opening cash balance	11,367
Closing Cash and Cash Equivalent as per the statement of Cash flows	117,003

19. Notes to the Financial Statements

1. General Information

2. General Information

Cardinal Maurice Otunga Technical and Vocational College is established by and derives its authority and accountability from TVET Act . The College is wholly owned by the County Government of Kenya and domiciled in Bumula sub-county. The College's principal activity is to provide quality technical and vocational training in collaboration with stakeholders to produce highly skilled and innovative human resource.

3. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial the State Corporations Act statements have been prepared in accordance with the PFM Act, the TVET Act, , and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

4. Adoption of New and Revised Standards

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

There are no new standards and interpretations issued in the Financial Year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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	Applicable 1st January 2025 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	Applicable 1st January 2025 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

	<p>which they should be used.</p> <ul style="list-style-type: none"> ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The College did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)

5. 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 has 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 Board on 30/01/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of kshs.85,210,443 on the FY 2024/2025 budget following the Board's approval. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 cash flows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 99-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly using Direct method on cost. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The following are the rates of depreciation of property plant and equipment:

Category	Depreciation Rates
Land	0%
Building	2%
Motor vehicles	25.00%
Furniture and fittings	12.50%
Computers	33.30%
Library Books	20.00%
Plant and equipment	12.50%

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 College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as

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

g) Intangible assets

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

h) 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 College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the 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 irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the College classifies 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 College assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The 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 College 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.

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

l) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

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 benefit 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 College creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

t) Service concession arrangements

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

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.

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.

6. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the 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 College.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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.

7. Transfers from National Government entities

Description	2024-2025
	KShs
Operational Grant	1,499,483
Other Grants	0
Total Government grants and subsidies	1,499,483

8. Fees from students

Description	2024-2025
	KShs
Tuition fees	13,557,170
Personal Emoluments	4,765,230
EWC	1,461,130
LTT Fees	1,461,130
Activity	1,670,180
RMI	1,205,090
Medical	740,000
Total Rendering of Services	24,859,930

9. Other income

Description	2024-2025
	KShs
Registration fees	91,547
Examination	617,330
KUCCP Application fee	261,200
Student Union/welfare	12,600
Student ID	25,100
Total Other Income	1,007,777

10. Use of Goods and Services

Description	2024-2025
	KShs
Tuition Expense	2,040,538
EWC	36,100
LTT	288,543
Examination Expense	513,550
Total use of Goods and Services	2,878,731

11. Employee Costs

Description	2024-2025
	KShs
Basic Salary	1,464,000
House Allowance	0
Commuter Allowance	0
Medical Allowance	0
Responsibility	0
Leave Allowance	0
Acting Allowance	0
Employers NSSF	0
AHL	0
NITA	0
Employee related Costs -	0
Total Employee Costs	1,464,000

12. Depreciation and Amortization expense

Description	2024-2025
	KShs
Property, Plant and Equipment	390,832
Intangible Assets	0
Investment Property carried at cost	0
Total depreciation and amortization	390,832

13. Repairs and Maintenance

Description	2024-2025
	KShs
RMI	72,830
Total Repairs and Maintenance	72,830

14.(a) Cash and Cash Equivalents

Description	2024-2025	Opening Balance 1 st July 2024
	KShs	KShs
Current account	116,814	11,367
On - call deposits	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Others(Cash in Hand)	189	0
Total cash and cash equivalents	117,003	11,367

14(b). Detailed Analysis of Cash and Cash Equivalents

Description	Account number	year ended June 30th 2025	Opening Balance 1 st July 2024
		KShs	KShs
a) Current account			
Equity Bank - Fees Account	0480282385965	116,814	11,367
Sub- total		116,814	11,367
b) Others(specify)			
Cash in Transit		0	0
Cash in Hand		189	0
Mobile Money Account		0	0
Sub- total		189	0
Grand total		117,003	11,367

15. Payments Received in Advance

Description	2024-2025	
	KShs	
Fees prepayments	55,031	
Caution money	0	
Prepayments	0	
Other refundable deposits	0	
Total Deposits	55,031	
Ageing analysis:	Current FY	% of the Total
Under one year	2,531	4.60%
1-2 years	52,500	95.40%
2-3 years	0	0%
Over 3 years	0	0%
Total (to tie to totals deposits above)	55,031	100%

16. Receivables from Exchange transactions

16. (a) Current Receivables from Exchange transactions

Description	2024-2025
	KShs
Current receivables	
Student Debtors	22,954,819
Rent Debtors	0
Staff Debtors	0
Other Exchange Debtors (Government portion)	0
Less: impairment allowance	0
Total Current Receivables	22,954,819
Non-current receivables	0
Refundable deposits	0
Advance payments	0
Public organizations	0
Less: Impairment allowance	0
Total Non-current Receivables	0
Total Receivables	22,954,819

16(b) Ageing Analysis of Receivables from Exchange Transactions

Description	2024-2025	
	KShs	
	Current FY	% of the total
Less than 1 year	4,345,274.08	23.38%
Between 1- 2 years	14,082,978.33	61.35%
Between 2-3 years	609,074.77	2.65%
Over 3 years	2,895,442.00	12.61%
Total	22,954,819	100.00

17.Receivables from non-exchange transactions

Description	2024-2025
	KShs
Current receivables	0
Undisbursed donor funds	0
Other debtors (non-exchange transactions)	0
Less: impairment allowance	0
Total Current Receivables	0

18.Inventories

Description	2024-2025
	KShs
Building Equipment & Consumable stores	20,935
Electrical and Electronics	83,210
Activity	26,900
Hair Dressing	73,550
Consumables Stores	6,890
Automotive	36,230
Stationaries	176,070
Food and Beverage	47,750
Total Inventories	471,535

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19. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	library books	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost									
At 30 th June 2024	5,360,000	9,675,000	0	698,470	153,800	0	268,000	0	16,155,270
At 1st July 2024	5,360,000	9,675,000	0	698,470	153,800	0	268,000	0	16,155,270
Additions	0	0	0	0	76,000	0	0	0	76,000
Disposals	0	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0	0
At 30th June 2025	5,360,000	9,675,000	0	698,470	229,800	0	268,000	0	16,231,270
Depreciation and impairment									
At 30 th June 2024	0	0	0	0	0	0	0	0	0
At 1st July 2024	0	0	0	0	0	0	0	0	0
Depreciation	0	193,500	0	87,309	76,523	0	33,500	0	390,832
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfers/Adjustment	0	0	0	0	y	0	0	0	0
At 30th June 2025	0	193,500	0	87,309	76,523	0	33,500	0	390,832
Net book values									
At 30th June 2024	5,360,000	9,675,000	0	698,470	153,800	0	268,000	0	16,155,270
At 30th June 2025	5,360,000	9,481,500	0	611,161	153,277	0	234,500	0	15,840,438

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19.(a) Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Ministry of Works on 30th June 2024. These amounts were adopted in the financial statements of 2024/2025 and does include any additional assets.

19(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:

Valuation Report For Cardinal Maurice Otunga Tvc

S/No	Item Description	Unit Of Measures	No.Units	Unit Cost	Total Cost
1	Land	Acres	5	1,000,000	5,000,000
2	Trees Eucalyptus				10,000
3	Fence And Metallic Gate				350,000
	Sub-Total				5,360,000
Building					
4	Classrooms Block	Rooms	5	1,500,000	7,500,000
5	Classrooms Block	Rooms	3	1,000,000	2,000,000
6	Door Latrine Pit	Rooms	2	75,000	150,000
	Sub-Total				9,675,000
Plant And Equipment					
7	Sawing Machines	Pieces	2	9,000	18,000
8	Water Pump	Pieces	1	250,000	250,000
	Sub-Total				268,000
Furniture And Fittings					
9	Office Partitioning	Space		290,470	290,470
10	Executive Office Table	Pieces	1	25,000	25,000
11	Metalic Chairs	Pieces		2,000	24,000
12	Wooden Chairs	Pieces	7	14,000	14,000
13	Iron Structures	Pieces	3		70,000
14	Plastic Chairs	Pieces	200	900	180,000
15	File Cabinet	Pieces	1	10,000	10,000
16	Metal Box	Pieces	1	5,000	5,000
17	Tent	Pieces	1	80000	80,000
	Sub-Total				698,470
Computers					
18	Inlet Computer Cpu	Pieces	1	46,000	46,000
19	Canon Printer	Pieces	1	30,000	30,000
20	Flash Disk	Pieces	2	1200	2,400
21	Epison Printer	Pieces	1	25,400	25,400
22	Hp Computer	Pieces	1 Cpu,3 Monitor	50,000	50,000
	Sub-Total				153,800
	Total				16,155,270

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19(c) Depreciation Rates

Category	At 30 th June 2020	Depreciation Rates	Depreciation
Land	5,360,000.00	0%	-
Building	9,675,000.00	2%	193,500.00
Motor vehicles	-	25.00%	-
Furniture and fittings	698,470.00	12.50%	87,308.75
Computers	229,800.00	33.30%	76,523.40
Library Books	-	20.00%	-
Plant and equipment	268,000.00	12.50%	33,500.00
Total	16,231,270.00		390,832.15

20. Trade and Other Payables from Exchange Transactions

Description	2024-2025
	KShs
Trade Payables	183,740
Staff Salaries	417,590
Staff Gratuity	0
Capitation	0
Caution money	0
Thirty Party Payments (Contractors Retention)	0
Other Commitments	0
Accrued Loan/Interest	0
Helb loans	0
Total Trade and Other Payables	601,330

Ageing analysis:	Current FY	% of the Total
Under one year	521,330	86.70%
1-2 years	0	0%
2-3 years	0	0%
Over 3 years	80,000	13.30%
Total (to tie to totals above)	601,330	100%

21. Cash generated from operations.

Description	2024-2025
	KShs
Surplus/(Deficit) for the year	22,560,797
Adjusted for:	
Depreciation	390,832
Non-Cash grants received	0
Finance Cost	0
Working Capital Adjustments	
(Increase)/Decrease in Inventory	-471,535
(Increase)/Decrease in Receivables	-22,954,819
(Increase)/ Decrease in Payables	601,330
Increase/ Decrease in Payments received in advance	55,031
Net Cash Flow from Operating Activities	181,636

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.

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

	Total Amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at at July 2024				
Receivables from Exchange Transactions	22,954,819	0	0	0
Receivables from Non-exchange Transactions	0	0	0	0
Bank Balances	105,636	0	0	0
Total	23,060,455	0	0	0

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

The College has significant concentration of credit risk on amounts due from fees

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.

	Total Am	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at at July 2024				
Receivables from Exchange Transactions	22,954,819	0	0	0
Receivables from Non-exchange Transactions	0	0	0	0
Bank Balances	105,636	0	0	0
Total	22,954,819			

iii) Market risk

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

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

a) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	2024-2025
	KShs
Revaluation reserve	0
Retained earnings	22,560,797
Capital reserve	16,166,637
Total funds	38,727,434
Total borrowings	0
Less: cash and bank balances	117,003
Net debt/(excess cash and cash equivalents)	117,003
Gearing	0

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to the College include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates and close family members.

County Government of Kenya

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

The County Government of Kenya is the principal shareholder of the College. The Government of Kenya has provided full guarantees to all long-term lenders of the College, both domestic and external. Other related parties include:

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

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	2024-2025
	KShs
Transactions with related parties	
a) Sales to related Parties	
Sales of electricity to govt agencies	0
Rent income from govt. Agencies	0
Water sales to govt. Agencies	0
Others (specify) e.g. interest and bank charges	0
Total	0
B) purchases from related parties	0
Purchases of electricity from KPLC	0
Purchase of water from govt service providers	0
Rent expenses paid to govt agencies	0
Training and Conference fees paid to govt. Agencies	0
Others	0
Total	0
b) Grants /transfers from the Government	0
Grants from National Govt	1,499,483
Grants from County Government	0
Donations in kind	0
Total	1,499,483
c) Expenses Incurred on behalf of Related Party	0
Payments of salaries and wages	0
Payments for Goods and Services	0
Total	0
d) Key Management Compensation	0
Directors' emoluments	0
Compensation to Key Management	0
Total	0

24. Capital Commitments

Capital Commitments	2024-2025
	KShs
Authorised for	25,938,824
Authorised and Contracted for	0
Total	25,938,824

NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

25. Events After The Reporting Period

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

26. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

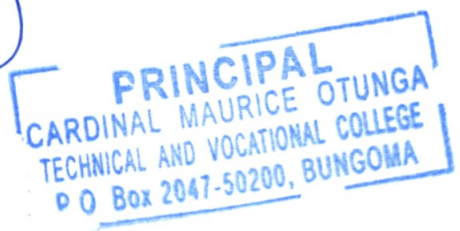
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

.....
 Name: Polycarp O. Odeta (PWS)

Principal/Accounting Officer
 Date: 3/12/2025



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Appendix II: Projects Implemented by Cardinal Maurice Otunga Technical And Vocational College

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)
				Kshs.		
Proposed Construction and Completion of 2 Blocks of 4 NO. Classrooms Workshop Block and Hospitality equipment	No.01	GOK		25,938,824	No	Yes

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring Entity: Ministry of Education

Name of beneficiary Entity: Cardinal Maurice Otunga Technical And Vocational College

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Ministry of Education	30/1/2025	499,827.50	0	499,827.50	Government Grant
Ministry of Education	4/6/2025	499,827.50	0	499,827.50	Government Grant
Ministry of Education	17/6/2025	499,827.50	0	499,827.50	Government Grant
Total		1,499,482.50	0	1,499,482.50	

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

Head of Accounts Department - Disbursing Entity: Ministry of Education

Name Sign Date

Head of Accounts Department: - Cardinal Maurice Otunga Technical And Vocational College

Name CPK Christine Kamukaga Kozwa Sign [Signature] Date 31/12/2025