

REPUBLIC OF KENYA



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REPORT

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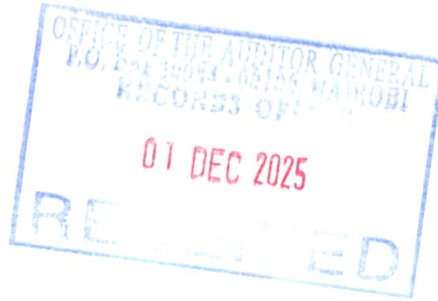
V WAMBUI

THE AUDITOR-GENERAL

ON

**KANDARA TECHNICAL AND
VOCATIONAL COLLEGE**

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



KANDARA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE, 2025

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

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1. Acronyms & Glossary of Terms

| | |
|----------------------|---|
| BOG | Board Of Governors |
| COVID – 19 | Corona Virus |
| CSR | Corporate Social Responsibility |
| ECL | Expected Credit Level |
| FY | Financial Year |
| HELB | Higher Education Loan Board |
| HoD | Head Of Department |
| IEBC | Independent Electro Boundary Commission |
| ICT | Information Communication Technology |
| ICPAK | Institute Of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| KCSE | Kenya Certificate of Secondary Education |
| KNEC | Kenya National Examination Council |
| KTVC | Kandara Technical Vocational College |
| KRA | Kenya Revenue Authority |
| NBV | Net Book Value |
| NGAAF | National Government Affirmative Action Fund |
| NGCDF | National Government Constituency Development Fund |
| NITA | National Industrial Training Authority |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| TTI | Technical Training Institute |
| TVC | Technical Vocational College |
| TVET | Technical Vocational Education Training |
| Moe | Ministry Of Education |
| SAGA | Semi Automatous Government Agencies |
| Fiduciary Management | Key management personnel who have financial responsibility in the college |

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2. Key College Information and Management

(a) Background information

The college was established under the TVET Act on 1st September, 2019. The Kandara TVC is domiciled in Kenya; the institute is under the Ministry of Education.

The College was mentored by Muranga University of Technology and later the mentorship was transferred to Michuki Technical Training Institute in Muranga county, Kangema Sub County. The funding for the construction of the College was a joint effort of Ministry of education and Kandara NG CDF Sub County. The GoK through Ministry of education contributed kshs.45,800,278. While the Kandara NG CDF contributed kshs.10,000,000 and the land where the college is built.

(b) Principal Activities

The principal activity is to offer technical & vocational skills to trainees who meet the minimum academic qualification to be enrolled to the college.

(c) Key Management

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

- a) Board of governors
- b) Principal
- c) Deputy Principal
- d) Heads of Departments

(d) Fiduciary Management

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

| No. | Designation | Name |
|-----|---------------------------------|----------------------|
| 1) | Principal | Mercy Kamau |
| 2) | Deputy Principal-Administration | Purity Njenga |
| 3) | Deputy Principal- Academics | George Macharia |
| 4) | Registrar | John Mwangi |
| 5) | Dean of Students | Esbon Ndungu |
| 6) | Exams Officer | Benson Mwangi |
| 7) | HOD Building | Simon Irungu Gachie |
| 8) | HOD Electrical | John Mutinda Kilonzo |
| 9) | HOD ICT | Judy Waringa Kamau |
| 10) | HOD Business | Samuel Biwott |
| 11) | HOD Institutional Management | Catherine Mwangi |
| 12) | HOD Mechanical | Kennedy Gachari |
| 13) | Accountant | Elizabeth Mbithi |

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

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

Finance and operations committee activities

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

Academic committee activities

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programmes

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- Determination of Resources:
 - Human Resource
 - Teaching/Learning Materials
- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs
- In Charge of Graduations and Academic Awards

(f) College Headquarters

P.O. Box 17- 01020 Kenol
Thika
Kabati - Kandara Road
Kenol Kenya

(g) College Contacts

Telephone: (254) 0757054561
E-mail: kandaratvc@gmail.com
Website: www.kandaratvc.com

(h) College Bankers

Kenya Commercial Bank
1262410754 Murang'a Branch

Equity bank Ltd
0890282699306 Kenol Branch

(i) Independent Auditors




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

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- (j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3. The Board of Governors

| No. | Member/ Director | Details |
|-----|--|--|
| 1. |  Mary Njeri Wanyoike | DOB: 1973 Academic Qualifications Bachelors of Business Administration Economics Work Experience Senior manager – NCBA Bank Regional sales manager- National Bank Board Chair person |
| 2. |  Dr. Margaret Mwihaki Nganga | DOB: 1971 Academic Qualifications PHD in Natural Products (Chemistry) MSC in Natural Products (Chemistry) Bachelor in Education (Science) Work Experience Senior lecturer - Kenyatta University Lecturer - Kenyatta University Tutorial fellow – Kenyatta University Academic committee Chair Finance management committee Member |
| 3. |  Edith Wathira Ngugi Board Member | DOB: 1974 Academic Qualifications PHD ongoing in Supply chain management MSC in Business Administration (Strategic Management) Bachelor in Commerce (Management Science) Work Experience Vice Chair- Human Rights Award Committee, Africa Union Liason Office Committee- Pending Bills- Muranga County- Kenya Gazette Notice 11073 Lecturer Supply Chain Management- JKUAT Control Analyst- General Motors East Africa Finance Management Committee Chair |

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| | | |
|----|---|--|
| 4. |  Samuel Kiarie Wairachu Board Member | DOB: 1967 Academic Qualifications MBA- University of NAIROBI B.Tech(Production Technology/ Engineering)- Moi University Work Experience Regional Sales Manager- East Africa Man Energy Solution Regional Business Development Consulatant- EA CEP Holland Regional Sales Manager- EA Cummins INC Lubricant Sales Engineer- Chevron Kenya LTD Audit Committee Chair |
| 5. |  Bishop Jonathan Kabiru Kariuki Board Member | DOB: 1969 Academic Qualifications PHD Organization Development- CEBU University Philippines MA Religious Studies- Kenyatta University Bachelor of Theology- Kenya Mthodist University Diploma in Theology & Development Work Experience Vicar/ Archdeacon/ Canon- St. Gertrude Clay City Kasarani Vicar- St Joseph Saika Vicar/ Archdeacon/ Canon- St James Buruburu Vicar- Holy Innocent Parsh Ruai Vicar- St Andrews Zimmerman Parish Audit Committee Member |
| 6. |  Martin Kiio Musa Board Member | DOB: 1969 Academic Qualifications MSC in Geospatial Information System and Remote sensing BSc in Geomatic Engineering and Geospatial Information Systems Higher Diploma in Surveying and mapping Diploma in Land Surveying Work Experience Surveyor/ Technologist at JKUAT/ Geomatic Engineer, GIS & RS Consultant/ Drone Pilot Licence Holder- Data Collection Finance Management Committee Member Academic Committee Member |

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| | | |
|----|---|--|
| 7. |  Erastus N. Kimuri Board Member | DOB: 1955 Academic Qualification MSc In Chemical Engineering Work Experience Lecturer in Defence Staff College and National Defence College on Economic Development and Industrialization for 20 years Academic Committee Member |
| 8. |  Mercy Kamau Principal/Secretary BOG | DOB: 1975 Academic Qualifications Masters in Education Profession Principal Kandara TVC Secretary BOG |
| 9. |  Mr Charles Nyota CDTVET | DOB: 1970 Academic Qualifications Masters in Computer Science Work Experience County Director TVET Mt Kenya West Finance Management Committee Academic Committee |

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4. Key Management Team

| No. | Member | Details |
|-----|--|--|
| 1. |  Mercy Kamau | Accounting Officer/Principal Masters (Degree in Education) |
| 2. |  Purity Njenga | Deputy Principal – Administration Bachelors Degree In Education And Counselling |
| 3. |  George Macharia | Deputy Principal- Academics Bachelor of Education Arts Certified Public Accountants(CPA) Section 2 |
| 4. |  John Mwangi | Registrar Bachelors Degree Of Science In Instrumental & Control Engineering |
| 5. |  Esbon Ndungu | Dean of students Bachelors Degree In Business Administration (Finance) |
| 6 |  Benson Mwangi | Exams Officer Diploma In Technical Education Electrical And Electronics |

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| | | |
|----|---|---|
| 7 |  Simon Irungu Gachie | Hod Building Bachelors Degree Of Technology (Civil Engineering) |
| 8 |  John Mutinda Kilonzo | HOD Electrical Bachelors Degree In Of Engineering In Electrical And Electronic |
| 9 |  Judy Waringa Kamau | HOD ICT Bachelors Degree In ICT |
| 10 |  Catherine Mwangi | HOD Institutional Management Bachelors Degree In Hospitality Management |
| 11 |  Samuel Biwott | HOD Business Bachelors Degree Of Arts(Economics) |
| 12 |  Elizabeth Mbithi | Accountant Bachelor in Commerce- Finance Option Certified Public Accountant(CPA) Section 6 |

5. Chairman's Statement



On behalf of the BOG, management, staff and students of Kandara TVC, I would like to thank the Government through the Cabinet Secretary Ministry of Education for giving me the opportunity to serve in this great institution in my New term. Kandara Technical and Vocational College's mandate remains that of offering Technical Training, Research and Innovation. The College commits to offer quality Technical and Vocational Education programmes that meet customer requirements and exceeds their expectations. We look forward to continued support from our stakeholders, especially the Ministry of Education for timely and adequate resources to enable us meet the needs of our customers and achieve the Government policies on TVET as a sector. I am pleased to report that KTVC has continued to perform well in returning exemplary examination results of the KNEC and NITA. I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the college, and lastly our future outlook.

The Board has three BoG Sub-committees; that is the Finance and Management Committee, Internal Audit & Risk Committee and the Academic and Human Resource and Publicity Committee. Members of the Board comprises of:

1. Charles Theuri Nyota- County Director TVET
2. Mary Njeri Wanyoike - BoG Chairman
3. Margaret Mwhaki Nganga- BoG Member
4. Edith Wathira Ngugi - BoG Member
5. Martin Kiiro Musa- BoG Member
6. Samuel Wairachu Kiarie- BoG Member
7. Erustus N Kimuri- BoG Member
8. Jonathan Kabiru Kariuki- BoG Member
9. Mercy Nyambura Kamau- Principal / Board Secretary

Key Activities of the Board are:

1. Development of human resource policy
2. Recruitment of additional staff
3. Performance Contracting; setting of targets, evaluation and negotiations
4. Mobilizing of resources from the government and other development partners
5. Improvement infrastructure in the College for example gate rebranding
6. Ensure implementation government policies by the College

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Challenges

1. Inadequate infrastructure such as tuition rooms, workshops, students Hostels and student dining hall
2. Space for expansion due to limited shared land
3. Inadequate trained staff both trainers and support
4. Inadequate resources to be able meet the needs of our customers
5. Delayed fees payment by HEF and GoK capitation.
6. General face of the institute does not attract access by the youth due the incomplete Library complex.

Ms. Mary Njeri Wanyoike

Chairperson: Board of Governors

6. Report of the Principal



Kandara Technical Vocational College is a tertiary institution that is well placed to offer quality and relevant training to her graduates, tailored to ensure they contribute effectively to attainment of the Country's Vision 2030 strategic objectives. I am pleased to provide an overview of important development at Kandara Technical regarding student intake, fees payment and projects undertaken as part of the BETA Program. Our student intake this financial year has seen a significant surge in interest and application from aspiring technical enthusiasts. We received a high number of applications reflecting the growing reputation of Kandara Technical as center of Excellence for Technical Education. This year's intake comprises a diverse cohort of students eager to embark on a journey of skill development and knowledge acquisition. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

Under the guidance of the Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction. Under my leadership and the overall direction of the College's board we were able to be in the forefront in ensuring that financial resources were utilized efficiently and effectively. Despite the many challenges brought about by economic constraints, the College nevertheless continued to discharge its mandate of training, research and outreach.

HIGHLIGHTS OF FY 2024/2025 PERFORMANCE

The Financial Year 2024/2025 started on a high note with the Government keen to ensure TVET Institutions absorb as many trainees as possible. Currently the students' population is at 1,314. In a move to boost student enrolment, the Government emphasized on sustenance of the Main Testing Instrument Scholarship under the New Funding Model. The college has also embarked on the CBET. KTVC participated in, TVET Fairs, Ball games, Athletics, Job fair and Performance contract. For continuing student's Annual students fee remained capped in all TVET at Ksh. 56,420/= with the Government pledge of Ksh. 30,000/= capitation, while encouraging the needy students to apply for HELB Loans & bursaries to cater for the balance of Ksh. 26,420/.

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Under the new funding model students applied through the Kenya Universities and College Placement Service (KUCCPS) and The Annual students' fees remained capped at Ksh 67,189/ exclusive Exam fees.

Students Enrolment:

FY 2024/2025 enrolment was met with a challenge of insufficient classroom and workshop. We also encountered delay in the capitation fees and Scholarship.

Projects Undertaken

During the Financial Year under review:

- Improving of Building and civil engineering workshop shed
- Acquired Furniture
- Introduction of short course
- Acquired VDI Lab computers
- Constructed Food and Beverage Workshop and Mechanical Worksop
- Partitioning of Offices and classrooms
- Improved the gate entrance by laying Cabros
- Installation of Sanitary appliances in PWD Toilets

Contribution to the BETA PROGRAM

The college continues to equip its students with the relevant competency and skills, as Artisans, Craftsmen and technicians. I have confidence that our students are well equipped with the necessary skills that strategically align them with opportunities within the country, regionally and globally at the same time contributing to the realization of the BETA Program

KTVC being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the college requires a lot of support from the Government and other stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come as the college still growing and needs the facilities that can accommodate the rising number of trainees

On behalf of the College Board and Management, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairperson of the Board as well as the cooperation of the Management team, all staff and our trainees that we

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ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.

Ms. Mercy Kamau

Principal/Secretary of the Board

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7. Statement of Performance against Predetermined Objectives

Kandara Technical & vocational college has 5 strategic pillars and 12 strategic objectives. Within its Strategic Plan for the FY 2022- 2027. These strategic objectives are as follows:

1. To improve infrastructure
2. Enhance access and College Visibility
3. Enhance trainee Enrolment by 1500
4. Enhance student welfare
5. Enhance land acreage
6. Establish production units
7. Improve on the staffing levels
8. Enhance staff competence
9. Facilitate effective governance of the College
10. Integrate ICT in the College's operations
11. To enhance Research and development
12. To Enhance collaboration with the community and the industry

KTVC develops its annual work plan based on the above 12 strategic objectives. The evaluation of the Board's performance against its annual work plan is done annually.

The college achieved its performance targets set for the FY 2024/2025 period for its 12 strategic pillars, as indicated in the diagram below:

| Strategic Pillars | Objective | Activities | Key performance | Achievements |
|-------------------|---------------------------------------|---|--|---|
| Access and Equity | To improve infrastructure | Acquire Furniture | College Staffs' chairs and desks drawers | Acquired Trainees & staff chairs and desks with drawers |
| | Enhance access and College Visibility | Participate in ball games, Athletics, Job fair and TVET Fairs Develop and maintain college website | Records of participation Developing and maintaining website | Presented men soccer team to regional ball games, Presented items in the TVET Fair and Job fair Developed and maintained college |

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| | | | | |
|--|---|---|--|---|
| | Enhance trainee Enrolment by 1314 | Establish a HELB and bursaries desk | No of students awarded bursaries | HELB received to the Institutions Account |
| | Enhance student welfare | Instituted guidance and counselling department | Operation guidance and counselling department | Trained 10 peer counselors Trained 3 trainers in basic. Established guidance and counselling club |
| Resource Mobilization | Improve on the staffing levels | Determine and Employ/deploy staff based on staff gaps | Adequate staff | Employed part-time trainers in Mechanical, Hair dressing, building, Electrical, Food and Beverage and technician in Electrical, Food and beverage and building department |
| Governance | Facilitate effective governance of the College | Develop and implement KTVC service charter | KTVC Service charter | BoG members initiated KTVC service charter Development |
| ICT Integration | Integrate ICT in the College's operations | Initiated VDI Lab | VDI lab Setup | Received 100 computers |
| To Enhance collaboration with the community and the industry | To Enhance collaboration with the community and | Facilitate staff for industrial attachment | No of staff who attended industrial attachment | Attached 100 students in industrial attachment |

8. Corporate Governance Statement

During FY 2024/2025, there was 98% eligible attendance at all meetings of the Board

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore,

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encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

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

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

1. College Board

The Institute Board consists of the Chairman and five members, who have been appointed in accordance with the TVET Act (2013). The full Institute Board meets at least four times a year and the board committee members meet as the need arises.

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

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

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Full BoG. Meeting Register

Fully BoG Meeting

| Name | Designation | 30/9/2024 | 15/11/2024 | 23/3/2025 | 30/6/2025 | Attendance |
|-------------------------|-------------|-----------|------------|-----------|-----------|------------|
| Mary Njeri Wanyoike | Chairperson | √ | √ | √ | √ | 4 |
| Margaret Mwihaki Nganga | Member | √ | √ | √ | √ | 4 |
| Edith Wathira Ngugi | Member | √ | √ | x | √ | 3 |
| Samuel Kiarie Wairachu | Member | √ | √ | x | √ | 3 |
| Jonathan Kabiru Kariuki | Member | √ | √ | √ | x | 3 |
| Martin Kiio Musa | Member | √ | √ | √ | √ | 4 |
| Charles Theuri Nyota | Member | √ | √ | √ | √ | 4 |
| Erustus N. Kimuri | Member | √ | √ | √ | √ | 4 |
| Mercy Kamau | Member | √ | √ | √ | √ | 4 |
| Total Attendance | | 9 | 9 | 7 | 8 | 33 |

BOARD COMMITTEES

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

1. FINANCE, PLANNING AND DEVELOPMENT COMMITTEE

Responsibilities:

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

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6. To report to the Board on the progress of physical infrastructure development of the Institute;
7. To prepare Institute Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

2. AUDIT AND RISK COMMITTEE

Responsibilities:

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

3. Academic and Human resource committee

Responsibilities:

Human resource

- a) continually examine the College's structure, core functions, staff establishment and if necessary, make proposals for harmonization and rationalization in order to eliminate possible wastage arising from redundancy, overlaps and duplications;
- b) examine policy and procedures on employment
- c) examine the procedures for assessment of needs for employment, staff development and procedures, staff training for operational efficiency and capacity enhancement for further development and consultancy services;
- d) examine and review the terms and conditions of service;
- e) examine the adequacy of the performance and reward system;
- f) examine and review the staff welfare policy
- g) establish & review the human resource policy, college scheme of service and career progression structure make recommendations for broad guidelines; and
- h) Propose innovative ideas for transformation of the college into a world-class college of higher learning and employer

Academic

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations
- c) Development and Implementation of New Programmes
- d) Determination of Resources:
 - i. Human Resource
 - ii. Teaching/Learning Materials
- e) Curriculum Evaluation

- f) Establish Linkage between the College and Industry
- g) Ensure Relevance of Courses to Market Needs
- h) In Charge of Graduations and Academic Awards

3. Board Members' Remuneration

Board members are not paid remuneration but are reimbursed transport costs whenever they attend board meetings.

4. Succession Plan

A board of Governors has a succession plan of three years and a member can serve for a maximum of two terms. The first board term expired on 24th May, 2024 and new board was inducted on 30th September, 2024

5. Board Charter

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

6. Appointment and removal of Board members

Board members are appointed by the Cabinet Secretary. The membership of the Board of Governors comprises of-

- (a) chairperson
- (b) are presentative of the Principal Secretary in the Ministry responsible for TVET
- (c) are presentative of the county Governor of the county within which the institution is located; and
- (d) six other persons appointed on the basis of their know ledge and experience

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary.

7. Induction and Training

Kandara TVC Board of governors was inducted within the month of September 2024 year and Induction training was carried out at Kenya School of Government – Embu on 21st – 24th October, 2024

8. Board and Board Members' Performance

The Board performance evaluation exercise was done in May 2025.

9. Conflict of interest

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

10. Ethics and Conduct

KTVC Board Members uphold the highest standard of ethics and conduct while executing their mandate.

11. Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the Institute towards the achievement of its objectives

12. Internal Controls

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

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

13. Going Concern

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

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

9. Management Discussion and Analysis

KTVC being a key driver to The Fourth Medium Term Plan (MTP4) 2023-2027 implements the Bottom Up Economic Transformation Agenda (BETA) which is geared towards economic turn around and inclusive growth through a value chain approach.

The Institution has unrelenting focus on improving and maintaining excellent Technical and Vocational Training across her specialties.

The institute's operational and financial performance

During the 2024/2025 financial year, the operations of the institute both current and development were affected by delay in receipt of the capitation where the fourth which delayed the implementation of the fourth quarter budget. Also the students under the new funding Model received their scholarship while led to growth in the surplus

| Description | Notes | 2024-2025 | 2023-2024 |
|---|-------|--------------------|-------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from the National Government–Recurrent grants& Capitation | 6 | 18,342,800 | 15,276,519 |
| Transfers from other levels of government | 7 | 10,000,000 | |
| Total Revenue from non-exchange transactions | | 28,342,800 | 15,276,519 |
| Revenue from exchange transactions | | | |
| Rendering of services- Fees from students | 8 | 84,678,411 | 31,222,971 |
| Other Income | 9 | 251,510 | 196,000 |
| Total Revenue from exchange transactions | | 84,929,921 | 31,418,971 |
| Total revenue | | 113,272,721 | 46,695,490 |
| Expenses | | | |
| Use of goods and services | 10 | 40,413,582 | 18,854,662 |
| Employee costs | 11 | 10,585,779 | 7,457,609 |
| Board Allowances | 12 | 1,120,000 | 885,000 |
| Depreciation and amortization expense | 13 | 2,831,036 | 1,443,727 |
| Repairs and maintenance | 14 | 513,197 | 273,010 |
| Contracted Services | 15 | 660,000 | 0 |
| Finance cost | 16 | 27,509 | 23,417 |
| Total expenses | | 56,151,103 | 28,937,425 |
| Net Surplus for the year | | 57,121,618 | 17,758,065 |

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Operation performance

(i) Academic performance

In the FY 2024/ 2025, KTVC has committed itself to increase pass rate in technical and business Examination

2024/2025 KNEC examination analysis

| Exam series | Registered candidates | No. That passed | Percentage pass |
|--------------------|-----------------------|-----------------|-----------------|
| KNEC July 2024 | 96 | 57 | 59 |
| KNEC November 2024 | 64 | 42 | 66 |
| TOTAL | 160 | 99 | |

2024/2025 NITA examination analysis

| Exam series | Registered candidates | No. That passed | Percentage pass |
|--------------------|-----------------------|-----------------|-----------------|
| NITA April 2024 | 23 | 21 | 91 |
| NITA August 2024 | 14 | 13 | 92 |
| NITA December 2024 | 16 | 16 | 100 |
| NITA April 2025 | 15 | 15 | 100 |
| TOTAL | 68 | 65 | |

2024/2025 CDACC examination analysis

| Exam series | Registered candidates | No. That passed | Percentage pass |
|---------------------|-----------------------|-----------------|-----------------|
| CDACC December 2024 | 155 | 106 | 74 |
| CDACC April 2025 | 190 | 140 | 81 |
| TOTAL | 345 | 246 | |

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(ii) Students' population growth

In the FY 2024/ 2025, KTVC had the below student's enrolment as per departments

| Department | Total Enrolment |
|--------------------------------------|-----------------|
| Electrical and Electronics | 256 |
| Building and Civil engineering | 458 |
| Institutional management | 372 |
| Information Communication Technology | 101 |
| Business management | 23 |
| Mechanical | 104 |
| Total | 1,314 |

Within the year, the college population grew from 759 students at the beginning of the term to 1,314 as at end of the 2024/2025 financial year.

(iii) Compliance with Statutory Requirements

During the 2024/2025 financial year, the College complied with all statutory requirements. The Institution does not have any non-compliance that may result to any potential litigation issues or exposure to contingent liabilities.

(iv) Major Risks

Operational Risks

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

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

Risk Mitigation Strategies

- 1) Strict enforcement of the fees payment policy
- 2) Enhancing debt collection measures
- 3) Enforcement of the 100% payment on admission or on reporting back in new term

Market risks

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

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

Risk Mitigation strategies:

- 1) Aggressive marketing of programmes
- 2) Enhance the diversity and quality of the College programmes
- 3) Enhancing the staff working environment and improving staff welfare

Capital risks

The College is not exposed to any capital risks.

Liquidity risk

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

Risk Mitigation strategies:

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

Material arrears in statutory and other financial obligations

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

Financial probity and serious governance issues

The College does not have any cases of financial improbity

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

10. Environmental and Sustainability Reporting Statement
Sustainability strategy and profile

The Triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profit, people (social) and planet (environment).

Profit: The institute has benefited greatly through the financial support received from National government through NGCDF, NGAAF, HELB, grants and capitation. This has led to improve and expanded infrastructure thus resulting in increased student enrolment.

Social: Devolution system of Government has contributed to the increased demand for skills at the county level hence increased student enrolment. This has direct positive impact to the community around the institution.

Environment: The board of governance has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environment sustainability that will be identified during the audit.

| category | Issue(s) | Description of effect | Action to mitigate |
|-----------|--|---|---|
| political | - Favourable - Political situation | - Increased student enrolment - Conducive learning environment | - Surveillance and intelligence on potential risks |
| | - Devolution system of Government | - Demand for skills at the county level hence increased student enrolment | - Lobby/create linkages with the County Governments |
| | - Financial support from national government through NGCDF, NGAAF, HELB, grants and capitation | - Improved and expanded infrastructure - Increased students' enrolment | - Prudent use of government funds - Accountability in the use of available resources |

Environmental performance

| category | Issue(s) | Description of effect | Action to mitigate |
|-------------------------|---|--|---|
| Environment /Ecological | - Overcrowded classes and workshops | - Ineffective imparting of skills - Increased waste pollution | - Proper waste management - Expansion of physical infrastructure |
| | - Inadequate/unreliable supply of water | - Water borne diseases | - Water harvesting - Drilling of borehole |

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| | | | |
|--|---|--|--|
| | | - Negatively affecting operations in the institute | |
| | - Environment free from air and noise pollution | - Favourable working/learning conditions | - Continually initiate environmental conservation initiatives. |

Employee welfare

At KTVc, we integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviours of good corporate governance, ethical decision making and providing our personnel with opportunities to develop and excel. We also seek to minimize our environmental impact and seek to enhance the amenity of residential communities.

We value our employees who are directly or indirectly involved in training of our students and contribute to their potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our institute through community consultation.

The institute's Human Resource Manual guides on hiring and appraisal of the staff. Staff training and development has been factored in the annual budget to ensure that our staff are trained and equipped in regard to emerging issues.

Market place practices-

Responsible supply chain and supplier relations

As per government policy and section 227 of the constitution of Kenya, the college has ensured that it complies with procurement regulations.

1. All procurement activities are carried out where supply chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates knowledge of available funds acts as a guide in knowing what to procure and when to procure
2. The institute has maintained and continuously updated a list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

The College ensures that:

- i) Customers are provided with support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- ii) Proper communication channels e.g., Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- iii) When doing procurement planning, the institute has complied with preference and reservation requirements.
- iv) Supply chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is complicated. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

The institute carried out various activities during the year under review. These activities include:

- Providing tree seedlings
- Tree planting within the community shopping centres
- Cleaning the environment amongst others
- Provide free dustbins to the community within the county

11. Report of the Board of Governors

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

Principal activities

The principal activities of the college is to offer technical & vocational skills to trainees who meet the minimum academic qualification to be enrolled to the college

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

Results

The results of the college for the year ended June 30th are set out on page 1 – 5

Board of Governors

The members of the Board who served during the year are shown on page viii, ix and x.

Auditors

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



.....
Secretary of the Board

Nairobi

Date: 29/11/25

12. Statement of Board of Governors/ Board's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of that college, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year/period. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The board members are also responsible for safeguarding the assets of the college.

The Board members are 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, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that 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


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

as at that date. The Board members further confirm 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 systems of internal financial control.

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

Approval of the financial statements

The college's financial statements were approved by the Board on **29/11/25** and signed on its behalf by:


.....
Name: Mary Wanyoike
Chairperson of the Board


.....
Name: Mercy Kamau
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KANDARA 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 for Kandara Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of

cash flows, statement of changes in net assets 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 respect, the financial position of Kandara 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 with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.55,900,343 as detailed in Note 18 to the financial statements. Review of the receivables ageing analysis revealed that, included in the balance are long-outstanding receivables totalling Kshs.8,158,805 that have remained unpaid for more than two (2) years. No evidence was provided to demonstrate ongoing recovery efforts, justification for continued recognition, demand letters and assessment for impairment of debts.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.8,158,805 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget amount of Kshs.77,630,432 and actual on comparable basis amount of Kshs.69,897,341 resulting in under-funding of Kshs.7,733,091 or 10% of the budget. Similarly, the College spent Kshs.57,801,836 against actual receipts of Kshs.69,897,341 resulting in an under-utilization of Kshs.12,095,505 or 17% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the College in 2024/2025 revealed that the following matters remained unresolved.

| | Financial Year | Audit Issue |
|---|-----------------------|---|
| 1 | 2023/2024 | Inaccuracies of long outstanding receivables from exchange transactions |
| 2 | 2023/2024 | Inaccurate depreciation and amortization expense |
| 3 | 2023/2024 | Unsupported inventory balances |
| 4 | 2023/2024 | Non-Compliance with the principal of equal opportunities for all |
| 5 | 2023/2024 | Non deduction and non-remittance of tax on Board allowances |
| 6 | 2023/2024 | Weak Information Technology (IT) Internal Controls |
| 7 | 2023/2024 | Weaknesses in implementing the Enterprises Resource Planning (ERP) System |

Other Information

Board of Governors is responsible for the other information set out on pages iii to xxxiv which comprise of the Key Entity Information and Management, The Board of Governance, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting. 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. Lack of Insurance for Employees

Review of staff records revealed that Management had not insured its employees against work-related injuries as required under the Work Injury Benefits Act, 2007 which requires that every employer to obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

2. Non-Compliance with Public Procurement Capacity Building Levy

Review of records revealed that the College entered into contracts but no documentary evidence was provided to confirm that the Entity complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on 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. Engagement of Casual Employees Without Formal Contracts

The statement of financial performance reflects employee costs amount of Kshs.10,585,779 as disclosed in Note 11 to the financial statements. This expenditure includes an the amount of Kshs.818,600 which relates to payments made to casual employees. Review of employment documents revealed that Management engaged casual employees without formal employment contracts. Consequently, their terms of engagement, responsibilities, period of service, and payment terms were not documented or contractually binding.

In the circumstances, effective management of casual employees without binding contracts could not be confirmed.

2. Under Staffing

Review of the College's staffing levels revealed significant deviations from the approved staff establishment. These gaps have resulted in critical vacancies and understaffing in key functional areas, including Human Resources, Internal Audit, Procurement, and Technical Services as per the table below;

| Critical Vacancies | Approved | Actual | Variance |
|---------------------------|-----------------|---------------|-----------------|
| Human Resource | 1 | 0 | 1 |
| Internal Audit Clerk | 1 | 0 | 1 |
| Finance Officer | 1 | 0 | 1 |
| Technical Roles | | | |
| Technicians | 8 | 3 | 5 |

In the circumstances, effective delivery of services in the critical departments could not be confirmed.

3. Poor Debt Collection and Debt Policy

Review of fee records revealed that an amount of Kshs.41,303,031 or 49% of the total billed fee was actually received during the year, leaving an outstanding balance of Kshs.43,375,380 or 51% of the billed fee. This indicates non-compliance with both the Finance Manual and the Credit Control and Debtor Management Policy, as the College

continued to offer services to students with unpaid balances without enforcing fee recovery procedures such as issuance of demand notices or examination restrictions.

In the circumstances, effectiveness in enforcement of debtor management policy 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 Management and Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the 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

15 December, 2025

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

| Description | Notes | 2024-2025 | 2023-2024 |
|---|-------|--------------------|-------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from the National Government–Recurrent grants& Capitation | 6 | 18,342,800 | 15,276,519 |
| Transfers from other levels of government | 7 | 10,000,000 | |
| Total Revenue from non-exchange transactions | | 28,342,800 | 15,276,519 |
| Revenue from exchange transactions | | | |
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| Total revenue | | 113,272,721 | 46,695,490 |
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| Use of goods and services | 10 | 40,413,582 | 18,854,662 |
| Employee costs | 11 | 10,585,779 | 7,457,609 |
| Board Allowances | 12 | 1,120,000 | 885,000 |
| Depreciation and amortization expense | 13 | 2,831,036 | 1,443,727 |
| Repairs and maintenance | 14 | 513,197 | 273,010 |
| Contracted Services | 15 | 660,000 | |
| Finance cost | 16 | 27,509 | 23,417 |
| Total expenses | | 56,151,103 | 28,937,425 |
| Net Surplus for the year | | 57,121,618 | 17,758,065 |

(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

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

.....
Chairman of Board
Mary Wanyoike

Date: 29-11-2025

.....
Principal
Mercy Kamau

Date: 29/11/25

.....
Finance Officer
ICPAK No. 27230




Date: 29/11/2025

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

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

| Description | Notes | 2024-2025 | 2023-2024 |
|---|-------|--------------------|-------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 17 | 20,468,080 | 8,372,575 |
| Current portion of receivables from exchange transactions | 18 | 55,900,343 | 23,455,238 |
| Inventory | 19 | 10,224,060 | 2,061,976 |
| Total current assets | | 86,592,483 | 33,889,789 |
| Non-current assets | | | |
| Property, plant and equipment | 23 | 70,683,883 | 65,893,995 |
| Intangible assets | 24 | 330,000 | 58,800 |
| Total non - current assets | | 71,013,883 | 65,952,795 |
| (A)Total assets | | 157,606,366 | 99,842,584 |
| Liabilities and capital | | | |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 20 | 715,031 | 0 |
| Fees paid in advance | 21 | 3,527,035 | 3,599,902 |
| Refundable deposits from customers | 22 | 456,860 | 456,860 |
| (B)Current liabilities | | 4,698,926 | 4,056,762 |
| Net Assets (A-B) | | 152,907,440 | 95,785,822 |
| Represented by: | | | |
| Reserves | | 13,960,428 | 10,000,000 |
| Accumulated surplus | | 89,937,198 | 29,985,544 |
| Capital Fund | | 49,009,814 | 55,800,278 |
| Net Assets | | 152,907,440 | 95,785,822 |

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

| | | |
|--|--|--|
|  Chairman of Board Mary Wanyoike Date: 29-11-2025 |  Principal Mercy Kamau Date: 29/11/2025 |  Finance Officer ICPAK No. 27230 Date: 29/11/2025 |
|--|--|--|

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16. STATEMENT CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2025

| Description | Revaluation reserve | Retained earnings | Capital/Development Grants/Fund | Total |
|--|---------------------|-------------------|---------------------------------|--------------------|
| As at July 1,2023 | <u>10,000,000</u> | <u>11,214,826</u> | <u>55,800,278</u> | <u>77,015,104</u> |
| Adjustment of the prior year KNEC payable | | 1,012,653 | | 1,012,653 |
| Fair value adjustment on quoted investments | | | | |
| Total comprehensive income | | 17,758,065 | | 17,758,065 |
| Capital/Development grants received during the year | | | | |
| Transfer of depreciation/amortization from capital fund to retained earnings | | | | |
| At June 30, 2024 | <u>10,000,000</u> | <u>29,985,544</u> | <u>55,800,278</u> | <u>95,785,822</u> |
| AS at July 1,2024 | <u>10,000,000</u> | <u>29,985,544</u> | <u>55,800,278</u> | <u>95,785,822</u> |
| Revaluation gain | 3,960,428 | | | 3,960,428 |
| Fair value adjustment on quoted investments | | | | |
| Total comprehensive income | | 57,121,618 | | 57,121,618 |
| Capital/Development grants received during the year | | | -3,960,428 | -3,960,428 |
| Transfer of depreciation/amortization from capital fund to retained earnings | | 2,830,036 | -2,830,036 | - |
| At June 30, 2025 | <u>13,960,428</u> | <u>89,937,198</u> | <u>49,009,814</u> | <u>152,907,440</u> |

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

| Description | Notes | 2024-2025 | 2023-2024 |
|--|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other Government entities/Govt. grants | 6 | 18,342,800 | 15,276,519 |
| Transfers from other levels of government | 7 | 10,000,000 | |
| Rendering of services- Fees from students | 8 | 41,303,031 | 31,222,971 |
| Other Income | 9 | 251,510 | 196,000 |
| Total Receipts | | 69,897,341 | 46,695,490 |
| Payments | | | |
| Use of goods and services | 10 | 40,904,855 | 18,854,662 |
| Employee cost | 11 | 10,585,779 | 7,457,609 |
| Board Allowances | 12 | 1,120,000 | 885,000 |
| Repair and Maintenance | 14 | 513,197 | 273,010 |
| Contracted Services | 15 | 660,000 | |
| Finance cost | 16 | 27,509 | 23,417 |
| Total Payments | | 53,811,340 | 27,493,698 |
| Net cash flow before working capital changes | | 16,086,001 | 19,201,792 |
| Changes in working capital | | | |
| Net Cash Flows from operating activities | | 16,086,001 | -5,106,144 |
| Purchase of property, plant, equipment and intangible assets | 23 | -3,990,496 | -3,437,416 |
| Net cash flows used in investing activities | | -3,990,496 | -3,437,416 |
| Net Increase in cash and cash equivalents | | 12,095,505 | 1,668,728 |
| Cash and cash equivalents at 1 st July | | 8,372,575 | 6,703,847 |
| Cash and cash equivalents at 30 June | | 20,468,080 | 8,372,575 |

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

| | Original annual Budget | Adjustments | Final Budget | Actual on comparable basis | Performance difference | % Of Utilization | NOTE |
|---|------------------------|-------------|-------------------|----------------------------|------------------------|------------------|------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | % | |
| Revenue | a | b | C=(a+b) | d | E=(c-d) | F=d/c*100 | |
| Transfers from other Government entities/Govt. grants | 9,330,000 | 0 | 9,330,000 | 18,342,800 | (9,012,800) | 196% | 1 |
| Transfers from other levels of government | | | | 10,000,000 | (10,000,000) | | 2 |
| Other Income | | | | 251,510 | -251,510 | | 3 |
| Rendering of services- Fees from students | 68,300,432 | 0 | 68,300,432 | 41,303,031 | 26,997,401 | 60% | 4 |
| Total income | 77,630,432 | 0 | 77,630,432 | 69,897,341 | | | |
| Expenses | | | | | | | |
| Use of goods and services | 45,176,032 | 0 | 45,176,032 | 40,413,582 | 4,762,449 | 89% | 5 |
| Employee costs | 12,890,400 | 0 | 11,810,400 | 10,585,779 | 1,224,621 | 90% | 6 |
| Remuneration of directors | 3,304,000 | 0 | 3,304,000 | 1,120,000 | 2,184,000 | 34% | 7 |
| Repairs and maintenance | 1,000,000 | 0 | 1,000,000 | 513,197 | 486,803 | 51% | 8 |
| Contracted Services | | | 1,080,000 | 660,000 | 420,000 | 61% | 9 |
| Finance cost | 0 | 0 | 0 | 27,509 | -27,509 | | 10 |
| Capital Expenditure Payments | 15,260,000 | | 15,260,000 | 3,990,496 | 11,269,504 | 26% | 11 |
| Total expenditure | 77,630,432 | 0 | 77,630,432 | 57,801,836 | | | |
| Surplus | 0 | 0 | 0 | 12,095,505 | | | |

Budget notes

- 1. Revenue from Non exchange transaction-** The college had under budgeted Revenue from non-exchange transaction but the management will correct this by forecasting the correct estimate of the funds received from the Government received grant of Kshs 10,000,000 as enhanced capitation from the Ministry for Development and Kshs 10,000,000
- 2. Transfer from other level-**The College had done a proposal to the Government requesting for funds which was not budgeted hence the Government disbursed within quarter 4

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3. **Other Income-** The college had not budget for Income generating Units hence it received income from sale of Detergents, Sale of Gas range and Sale of Fabricated doors
4. **Revenue from Exchange transaction-** There was delay in Scholarship for the students under the new funding model and also students under old funding model had a deficit of ksh 9,300 per student(capitation)
5. **Use of goods-** Only minimum training materials were acquired for departments
6. **Employee cost-** Payment was within the range and also procurement officer was engaged in quarter 3
7. **Remuneration of Directors-** The new board was inaugurated on 30th September 2024 hence no meetings held within the first quarter, also Academic and Audit Committee met once within the financial year.
8. **Repair and maintenance-** Minimal repairs were done
9. **Contracted Services-** The budget was within the range
10. **Finance Cost-** The college had not budgeted
11. **Capital Expenditure –** The college did minimal development activities

Budget Reconciliation

| Description of Particulars | Amount in Kshs |
|---|----------------|
| Actual Surplus Amounts as per the statement of Budget | 12,095,505 |
| Net Increase in Cash and Cash Equivalent as per the statement of Cash flows | 12,095,505 |

19. Notes to the Financial Statements

1. General Information

Kandara Technical & Vocational College is established by and derives its authority and accountability from TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college principal activity is technical & vocational training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the college's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 18. 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 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.

3. Adoption of New and Revised Standards

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

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

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

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

| Standard | Effective date and impact: |
|---------------------|---|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. |

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| | |
|--|---|
| | 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 | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Asset: 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 | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. |
| IPSAS 46: Measurement | <i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. |

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset

ii) Revenue from exchange transactions

Rendering of services

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

b) Budget information

The original budget for FY 2024/2025 was approved by the Board or Board on 28th May ,2024. No Subsequent revisions or additional appropriations were made to the approved budget.

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.

c) Taxes

Current income tax

The college is exempted from paying taxes

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use

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

e) Intangible assets

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

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 college recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, 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:

- a) Raw materials: purchase cost using the weighted average cost method.
- b) 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.

g) 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, 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.

h) Social Benefits

Social benefits are cash transfers provided to

- a) specific individuals and / or households that meet the eligibility criteria,
- b) mitigate the effects of social risks and
- c) Address the need of society as a whole.

The college 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 college will incur in fulfilling the present obligations represented by the liability.

i) Nature and purpose of reserves

The College does not create and maintains reserves

j) 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.

k) Employee benefits

Retirement benefit plans

The College does not provide retirement benefits for its employees and directors.

l) Related parties

The College regards a related party as a person or institute 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 board of governor, the principal and senior management team.

m) 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.

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the 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 College. 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:

- a) The condition of the asset based on the assessment of experts employed by the College.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) 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 the Notes.

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.

Provisions for Doubtful Debts are recognized at the following rate:

| No | Debt age | Rate |
|------|--------------|------|
| i. | Current Year | 2.5% |
| ii. | Over 1 Year | 10% |
| iii. | Over 2 Years | 15% |
| iv. | Over 3 Years | 20% |
| v. | Over 4 Years | 50% |
| vi. | Over 5 Years | 100% |

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Depreciation

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets. The annual rates of depreciation used shall be as

| No | Classification of asset | Rate |
|------|---|-------|
| i. | Building | 2 % |
| ii. | Plant, Machinery and equipment | 12.5% |
| iii. | Office Equipment and computer accessories | 12.5% |
| iv. | Computer equipment | 30% |
| v. | Motor vehicles- Buses & others | 25% |
| vi. | Furniture and fittings | 12.5% |
| vii. | Library books | 20% |

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6. Transfers from other National Government entities

| Description | 2024-2025 | 2023-2024 |
|---|--------------------------|--------------------------|
| | Kshs | Kshs |
| Unconditional grants | | |
| Operational grants | 12,500,000 | 1,500,000 |
| Capitation grants | 5,842,800 | 6,775,425 |
| Government Scholarship | 0 | 7,001,094 |
| Total Government Grants and Capitation | <u>18,342,800</u> | <u>15,276,519</u> |

(a) Transfers from other Government entities (Categorized)

| Name of the college sending the grant | Amount recognized to Statement of Comprehensive Income | Amount deferred under deferred income | Amount recognized in capital fund | Total income during the year | 2023-2024 |
|---|--|---------------------------------------|-----------------------------------|------------------------------|--------------------------|
| | KShs | KShs | KShs | KShs | KShs |
| Ministry of education | 12,500,000 | | | 12,500,000 | 1,500,000 |
| Ministry of education | 5,842,800 | | | 5,842,800 | 6,775,425 |
| Ministry of education | 0 | | | 0 | 7,001,094 |
| Total Government Grants and Capitation | <u>18,342,800</u> | | | <u>18,342,800</u> | <u>15,276,519</u> |

The details of the reconciliation have been included under appendix 3

7. Transfers from Other Levels of Government

| Description | 2024-2025 | 2023-2024 |
|--|--------------------------|-----------------|
| | Kshs | Kshs |
| Transfer from Thika Technical Training College | 10,000,000 | 0 |
| Total Transfers | <u>10,000,000</u> | <u>0</u> |

8. Rendering of Services

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|------------|------------|
| | Kshs | Kshs |
| Tuition | 28,391,347 | 16,979,979 |
| Personal Emoluments | 15,440,718 | 5,164,805 |
| Local Transport & Travelling | 5,594,674 | 1,271,367 |
| Electricity Water & Conservancy | 6,614,800 | 1,420,156 |
| Repair Maintenance & Improvement | 4,245,555 | 904,860 |

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| | | |
|---|-------------------|-------------------|
| Activity | 5,807,566 | 1,109,146 |
| Student Welfare | 2,395,702 | 401,696 |
| T-Shirt | 640,600 | 282,451 |
| Attachment | 2,713,878 | 693,985 |
| Registration | 1,864,377 | 496,686 |
| College Id/Card | 284,700 | 117,190 |
| Exam | 10,684,494 | 2,380,650 |
| Total Revenue from The Rendering of Services | 84,678,411 | 31,222,971 |

(Amount invoiced to trainees during the financial year 2024/2025)

9. Other Incomes

| Description | 2024-2025 | 2023-2024 |
|---|----------------|----------------|
| | Kshs | Kshs |
| Hire of College facility to IEBC | | 196,000 |
| Door Fabrication | 150,000 | |
| Sale of Detergents | 21,510 | |
| Gas Range | 80,000 | |
| Total Revenue from other sources | 251,510 | 196,000 |

Revenue collected from Door fabrication, sale of Detergents and Gas range

10. Use of Goods and Services

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Teaching and Learning Materials | 22,620,472 | 13,697,293 |
| Performance Contract | 577,800 | 586,925 |
| Local Transport and Travel | 2,393,360 | 1,187,100 |
| Electricity Water & Conservancy | 724,452 | 526,138 |
| Students College ID Cards | 97,529 | 65,370 |
| Fees Refund | 33,230 | 1,450 |
| T Shirts | 250,250 | 211,850 |
| Attachment | 227,271 | 170,998 |
| Activity | 1,843,347 | 1,451,458 |
| KUCCPs Registration | 33,000 | 180,000 |
| Students Welfare | 17,000 | 28,000 |
| Exam | 7,643,690 | 748,080 |
| CBET Implementation | 902,380 | |
| Provision for Bad debts | 3,049,801 | |
| Total use of goods & services | 40,413,582 | 18,854,662 |

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11. Employee Costs

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|-------------------|------------------|
| | Kshs | Kshs |
| PAYE | 26,600 | 6,597 |
| National Social Security Fund | 594,720 | 655,640 |
| National Hospital Insurance Fund/SHA | 152,904 | 192,800 |
| BoG Employees | 4,436,967 | 4,850,639 |
| Security | 39,000 | 462,000 |
| Casuals | 818,600 | 1,204,245 |
| HELB | 43,888 | 71,338 |
| NITA Levy | 11,600 | 14,350 |
| Housing Levy | 148,680 | |
| Part time Trainers | 4,312,820 | |
| Employee costs | 10,585,779 | 7,457,609 |

12. Board Expenses

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|------------------|----------------|
| | Kshs | Kshs |
| Chairman Honorarium | 30,000 | 26,000 |
| Board Allowances | 1,090,00 | 859,000 |
| Total director emoluments | 1,120,000 | 885,000 |

13. Depreciation and Amortization expense

| Description | 2024-2025 | 2023-2024 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Building | 905,600 | 1,260,651 |
| Furniture & Fittings | 278,452 | 134,122 |
| Computers & printers | 867,840 | 225,700 |
| Plant & Equipment | 779,144 | 83,541 |
| Total depreciation and amortization | 2,831,036 | 1,704,014 |

14. Repairs and Maintenance

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|----------------|----------------|
| | Kshs | Kshs |
| General Repairs | 513,197 | 273,010 |
| Total repairs and maintenance | 513,197 | 273,010 |

15. Contracted Services

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|----------------|-----------|
| | Kshs | Kshs |
| Security | 660,000 | 0 |
| Total Contracted Services | 660,000 | 0 |

16. Finance Cost

| Description | 2024-2025 | 2023-2024 |
|---------------------------|---------------|---------------|
| | Kshs | Kshs |
| Bank charges | 27,509 | 23,417 |
| Total Bank charges | 27,509 | 23,417 |

17. Cash and Cash Equivalents

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Current Account | 20,467,905 | 8,363,324 |
| Cash at hand | 175 | 9,251 |
| Total cash and cash equivalents | 20,468,080 | 8,372,575 |

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

| | | 2024-2025 | 2023-2024 |
|-----------------------|----------------|-------------------|------------------|
| Financial institution | Account number | Kshs | Kshs |
| a) Current account | | | |
| Kenya Commercial bank | 1262410754 | 7,718,492 | 2,027,919 |
| Equity bank | 0890282699306 | 12,749,413 | 6,335,405 |
| Sub- total | | 20,467,905 | 8,363,324 |
| b) Others(specify) | | | |
| cash in hand | | 175 | 9,251 |
| Sub- total | | | |
| Grand total | | 20,468,080 | 8,372,575 |

18. Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Student debtors | 55,900,343 | 23,455,238 |
| Total current receivables | 55,900,343 | 23,455,238 |

18.(b) Receivables from Exchange transactions

| Description | 2024-2025 | | 2023-2024 | |
|--------------------|-------------------|----------------|-------------------|----------------|
| | KShs | | KShs | |
| | 2023-2024 | % of the total | 2022-2023 | % of the total |
| Less than 1 year | 43,375,380 | 74% | 15,296,434 | 65% |
| Between 1- 2 years | 7,415,959 | 13% | 1,227,635 | 5% |
| Between 2-3 years | 8,158,805 | 14% | 6,931,170 | 30% |
| Total | 58,950,144 | 100% | 23,455,238 | 100% |

18(c) Provision for bad debt Analysis of Receivables from Exchange transactions

| Description | 2024-2025 | | | 2023-2024 | |
|--------------------|-----------|-------------------|------------------|-------------------|-----------|
| | Rate | KShs | | KShs | |
| | | Receivables | Provision | Receivables | Provision |
| Less than 1 year | 2.5 | 43,375,380 | 1,084,385 | 15,296,434 | 0 |
| Between 1- 2 years | 10 | 7,415,959 | 741,596 | 1,227,635 | 0 |
| Between 2-3 years | 15 | 8,158,805 | 1,223,821 | 6,931,170 | 0 |
| Total (a+b) | | 58,950,144 | 3,049,801 | 23,455,238 | 0 |

18 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

| Description | 2024-2025 | 2023-2024 |
|------------------------------|-------------|------------|
| | KShs | KShs |
| At the beginning of the year | 23,455,238 | 8,158,805 |
| Additions during the year | 43,375,380 | 15,296,434 |
| Provisions during the year | (3,049,801) | |
| Recovered during the year | (7,880,474) | |
| Write offs during the year | | |
| At the end of the year | 55,900,343 | 23,455,238 |

19. Inventories

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Training Materials | 10,224,060 | 2,061,976 |
| Total Inventories at lower of Cost and Net Realizable Value | 10,224,060 | 2,061,976 |

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20. Trade and Other Payables

| Description | 2024-2025 | 2023-2024 |
|---------------------------------------|----------------|-----------|
| | Kshs | Kshs |
| Trade Payables | 715,031 | 0 |
| Total Trade and Other Payables | 715,031 | 0 |

21. Fees paid in advance

| Description | 2024-2025 | 2023-2024 |
|---------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Fees paid in advance | 3,527,035 | 3,599,902 |
| Total Trade and Other Payables | 3,527,035 | 3,599,902 |

| Ageing analysis: | 2024-2025 | % of the Total | 2023-2024 | % of the Total |
|---------------------------------------|------------------|----------------|------------------|----------------|
| Under one year | 3,144,634 | 89% | | |
| 1-2 years | 161,271 | 5% | 3,378,772 | 94% |
| 2-3 years | 221,130 | 6% | 221,130 | 6% |
| Total (to tie to totals above) | 3,527,035 | 100% | 3,599,902 | 100% |

22. Refundable Deposits from Students

| Description | 2024-2025 | 2023-2024 |
|-----------------------|----------------|----------------|
| | Kshs | Kshs |
| Caution money | 456,860 | 456,860 |
| Total Deposits | 456,860 | 456,860 |

| Ageing analysis: | 2024-2025 | % of the Total | 2023-2024 | % of the Total |
|--|----------------|----------------|----------------|----------------|
| Under one year | | | 135,861 | 30% |
| 1-2 years | 135,861 | 30% | 217,418 | 48% |
| 2-3 years | 217,418 | 48% | 103,581 | 22% |
| Over 3 years | 103,581 | 22% | | |
| Total (to tie to totals deposits above) | 456,860 | | 456,860 | |

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23. Property, Plant and Equipment

| Description | Land | Buildings | Furniture and fittings | Computers & printers | Plant and equipment | Work in progress | Total |
|--------------------------------------|-------------------|-------------------|------------------------|----------------------|---------------------|-------------------|-------------------|
| Cost | Shs | Shs | Shs | | Shs | Shs | Shs |
| At 1st July 2022 | | <u>55,800,278</u> | <u>898,900</u> | <u>109,800</u> | | <u>334,951</u> | <u>57,143,929</u> |
| Additions | | | 475,500 | 313,500 | 127,000 | 471,850 | 1,387,850 |
| Revaluation | 10,000,000 | | | | | | 10,000,000 |
| At 30th June 2023 | <u>10,000,000</u> | <u>55,800,278</u> | <u>1,374,400</u> | <u>423,300</u> | <u>127,000</u> | <u>806,801</u> | <u>68,531,779</u> |
| At 1st July 2023 | <u>10,000,000</u> | <u>55,800,278</u> | <u>1,374,400</u> | <u>423,300</u> | <u>127,000</u> | <u>806,801</u> | <u>68,531,779</u> |
| Additions | – | – | – | 383,600 | 152,000 | 2,901,816 | 3,437,416 |
| Transfer | – | – | – | – | – | – | – |
| At 30 th June 2024 | <u>10,000,000</u> | <u>55,800,278</u> | <u>1,374,400</u> | <u>806,900</u> | <u>279,000</u> | <u>3,708,617</u> | <u>71,969,195</u> |
| Depreciation and impairment | | | | | | | |
| At 1st July 2022 | | 3,281,503 | 166,781 | 32,940 | | | 3,481,224 |
| Depreciation | | 1,050,376 | 91,515 | 23,058 | | | 1,164,949 |
| at 30th June 2023 | | <u>4,331,879</u> | <u>258,296</u> | <u>55,998</u> | | | <u>4,646,173</u> |
| At 1st July 2023 | | <u>4,331,879</u> | <u>258,296</u> | <u>55,998</u> | | | <u>4,646,173</u> |
| Depreciation rate | 0 | 0.02 | 0.125 | 0.3 | 0.125 | | |
| Depreciation | | 1,029,368 | 139,513 | 225,271 | 34,875 | | 1,429,027 |
| at 30th June 2023 | | <u>5,361,247</u> | <u>397,809</u> | <u>281,269</u> | <u>34,875</u> | | <u>6,075,200</u> |
| Net book values | | | | | | | |
| At 30th June ,2023 | <u>10,000,000</u> | <u>51,468,399</u> | <u>1,116,104</u> | <u>367,302</u> | <u>127,000</u> | <u>806,801</u> | <u>63,885,606</u> |
| At 30 th June ,2024 | <u>10,000,000</u> | <u>50,439,031</u> | <u>976,591</u> | <u>525,631</u> | <u>244,125</u> | <u>3,708,617</u> | <u>65,893,995</u> |
| Valuation At 1 st July ,2024 | <u>5,000,000</u> | <u>-5,439,031</u> | <u>1,223,225</u> | <u>1,982,169</u> | <u>4,902,682</u> | <u>-3,708,617</u> | <u>3,960,428</u> |
| Additions | | <u>280,000</u> | <u>27,800</u> | <u>385,000</u> | <u>1,086,346</u> | <u>1,881,350</u> | <u>3,660,496</u> |
| Depreciation | | <u>-905,600</u> | <u>-278,452</u> | <u>-867,840</u> | <u>-779,144</u> | <u>0</u> | <u>-2,831,036</u> |
| Net book values As at 30th June 2025 | <u>15,000,000</u> | <u>44,374,400</u> | <u>1,949,164</u> | <u>2,024,960</u> | <u>5,454,009</u> | <u>1,881,350</u> | <u>70,683,883</u> |

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Note: Work in progress This is the accumulated expenditures as at 30th June, 2025 in respect to the construction of the Food and Beverage workshop.

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Valuation

The college assets were valued by the Murang'a County Government – Ministry of Land, Housing and Physical Planning Principal Valuer report issued on 4th July, 2024

23 (b) Property, Plant and Equipment at Cost

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

| Description | Cost | Accumulated Depreciation | NBV |
|---|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Land | 15,000,000 | 0 | 15,000,000 |
| Buildings | 55,800,278 | 11,425,878 | 44,374,400 |
| Plant And Machinery | 6,306,914 | 852,905 | 5,454,009 |
| Computers and Related Equipment | 2,379,677 | 354,717 | 2,024,960 |
| Office Equipment, Furniture, And Fittings | 2,380,908 | 431,744 | 1,949,164 |
| Work In Progress | 1,881,350 | 0 | 1,881,350 |
| Total | 83,749,127 | 13,065,244 | 70,683,883 |

24. Intangible Assets

| Description | 2022-2023 | 2021-2022 |
|--------------------------------|----------------|-----------|
| | Kshs | Kshs |
| Cost | | |
| At beginning of the year | | |
| Additions | 330,000 | |
| At end of the year | | |
| Additions–internal development | | |
| At end of the year | | |
| Amortization and impairment | | |
| At beginning of the year | | |
| Amortization | | |
| At end of the year | | |
| Impairment loss | | |
| At end of the year | | |
| NBV | 330,000 | |

25. Financial Risk Management

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

(i) Credit risk

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

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

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

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.

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 college's directors, who have built an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity

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management requirements. The college 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.

(iii) Market risk

The college has put in place an internal audit function to assist it in assessing the risk faced by the college 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 college'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

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

Management of interest rate risk

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

Sensitivity analysis

The college analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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 college capital structure comprises of the following funds:

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24. 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the college, holding 100% of the college's equity interest. 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 Ministry;
- iii) Key management;
- iv) Board of Governors;

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

| | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| a) Purchase of Electricity from Kplc | 443,708 | 388,131 |
| b) Purchase of water from Government providers | 100,830 | 83,471 |
| | 544,538 | 471,602 |
| (b) Grants from the Government | | |
| Grants from National Govt | 12,500,000 | 1,500,000 |
| Capitation from the MoE | 5,842,800 | 6,776,000 |
| Government Scholarship | 0 | 7,001,094 |
| Transfer from Thika TTI | 10,000,000 | |
| TOTAL | 28,342,800 | 15,276,519 |

25. Events After the Reporting Period

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

26. Ultimate and Holding College

Kandara TVC is a TVET institution under the Ministry of education. Its ultimate parent is the Government of Kenya.

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27. Currency

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

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28. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| 1 | Inaccuracies of Long outstanding Receivables from Exchange transactions | The College introduced Financial Management Policy to address Bad debts | Ongoing | By 30 th June, 2026 |
| 2 | Inaccurate depreciation and amortization expense | The College introduced Financial Management Policy to guide on the depreciation rates | Resolved | |
| 3 | Unsupported inventory balances | It was an omission error so the correct Inventory Schedule was presented | Resolved | |
| 4 | Budgetary Control and performance | The College is working toward 100% absorption rate of the Revenue via the expenditure in future | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| 5 | Non Compliance with the principle of equal opportunities for all | The College will embrace the Principle of equal opportunities for all | Resolved | |
| 6 | Non deduction and non remittance of tax on Board allowances | The College embarked on the PAYE remittances for the BOG Members | Resolved | |
| 7 | Weak Information Technology(IT) Internal Controls | The College introduced IT Strategic Policy and IT Security Policy | Resolved | |
| 8 | Weakness in implementing the Enterprises Resource Planning(ERP) System | The college liased with the ERP Service provider to ensure proper implementation of the ERP System | Resolved | |



Name: Mercy Kamau
 Accounting Officer
 Date: 27/8/2025

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Appendix II: Projects Implemented by Kandara Technical & Vocational College

Projects

Projects implemented by Kandara Technical 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) |
|---------------|----------------|-------|------------------|------------------|---|---|
| 1 | N/A | | | | | |

Status of Projects completion

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

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|---------|--------------------|------------------------|----------------------|--------|--------|------------------|
| 1 | N/A | | | | | | |

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Appendix III- Inter-College Confirmation Letter

Kandara Technical and Vocational College

P.O BOX 17, KENOL

The Kandara Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by [Insert name of beneficiary College] as at 30 th June 2025 | | | | | | | | |
|---|-------------------------------------|------------------|-------------------|--|-----------------------|-----------------------|--|--------------------------------|
| Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2025 | | | | | | | Amount Received as at 30 th June 2024 (E) | Differences (Kshs) (F) = (D-E) |
| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | | Inter-Ministerial (D) | Total (E) = (A+B+C+D) | | |
| Q1 | 26/9/2024 16/7/2024 16/7/2024 | 500,000 | 10,000,000 | | 1,877,800 | 12,377,800 | | |
| Q2 | | | | | | | | |
| Q2 | | | | | | | | |
| Q3 | 17/2/2025 | | | | 3,965,000 | 3,965,000 | | |
| Q4 | 9/6/2025 | 2,000,000 | | | | 2,000,000 | | |
| Total | | <u>2,500,000</u> | <u>10,000,000</u> | | <u>5,842,800</u> | <u>18,342,800</u> | | |

I confirm that the amounts shown above are correct as of the date indicated.
 Head of Accountants department of Kandara Technical and Vocational College:
 Name J. S. S. Muehanu N. H. N. Sign [Signature] Date 29/11/2025

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