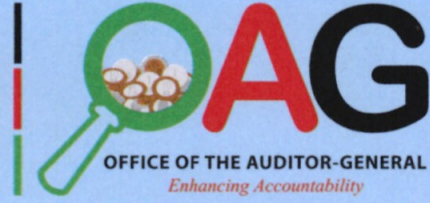


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**GATANGA TECHNICAL AND
VOCATIONAL COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 MAR 2026

DAY.

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**TABLED
BY:**

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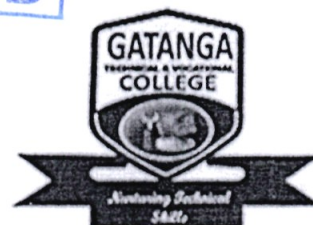
DR. W. W. NJIRI

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GATANGA 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 and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
GTVC	Gatanga Technical and Vocational College
TVC	Technical Vocational College
CEO	Chief Executive Officer
TVET	Technical Vocational and Education Training
FY	Financial Year
HELB	Higher Education Loan Board
HoD	Head of Department
ICT	Information Communication Technology
KNEC	Kenya National Examination Council
NITA	National Industrial Training Authority
NGAO	National Government Administrative Officers
KRA	Kenya Revenue Authority
PAYE	Pay As You Earn
AHL	Affordable Housing Levy
HND	Higher National Diploma
KCB	Kenya Commercial Bank
KTDA	Kenya Tea Development Agency
NSSF	National Social Security Fund
NHIF	National Health Insurance Fund
NG-CDF	National Government Constituency Development Fund
AG	Acting
PPE	Property Plant and Equipments
WIP	Work in Progress

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Gatanga Technical and Vocational College is located in Murang'a county, Gatanga sub-county, Gatanga division, Kigoro location, Ndunyu Chege sub-location. It was constructed through funding by GOK and Gatanga NG-CDF under mentorship of Murang'a University. The institution was completed in 2017 and handed over to Michuki Technical Training Institute to oversee its management until August 2017 when the principal was posted. The college first trainees were admitted in January 2018 in the following courses in Electrical engineering, ICT Mechanical and Plumbing. The college is a centre of excellence in mechanical engineering having received Mechanical production equipment's, computers and furniture's which were supplied to the institution in January 2018 through the Government of Kenya. Currently the college has a total population of 1,106 trainees in eight departments as at June 2025. The college is located 30Km from Thika town along Gatanga-Ndakaini road.

(b) Principal Activities

GTVC is a national public tertiary institution under the Ministry of Education; it operates under the Education Act 2013 and TVET Act 2013 Laws of Kenya. The College's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The institution operates under the management of the Board of Governors appointed by the Minister in charge of Education. The Senior Principal is the College's CEO and the secretary to the BOG. On the day-to-day operations of the college, the Senior Principal is assisted by a Deputy Principal, the Registrar, the Dean of Students and Heads of Departments. The students participate in College's governance through a student's association led by an elected student council.

The college is Centre of excellence in Mechanical Engineering. The college received modern tools and equipment in the area of ICT and Mechanical Engineering worthy 104,000,000. (One Hundred and four Million). This government act was to bring to the youths of Murang'a County the modern technology so that they can have hands on skills for self-reliance which is also our motto.

Trainees trained in Gatanga Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with *Hands on Skills* and Technology to make a difference in this generation and generations to come. Gatanga Technical and Vocational College is committed to offering the best and top quality training. We provide this using the art modern facilities in training.

We do so to make our trainees more competitive and competent in their professions and trade areas. Gatanga Technical and Vocational College is growing from strength to strength, we are determined to offer training in a diverse, qualitative and an interactive platform that creates and nurtures talents among trainees. We offer courses from Diploma, Craft, Artisan and skill upgrade levels for those people who are practicing and have no formal certificate. There is no age limit for you to be admitted at Gatanga TVC because we offer both regular, part-time and school based trainings.

VISION

To be a centre of excellence in provision of technical & vocational education and training.

MISSION

To provide technical & vocational education and training courses that produce skilled and competent manpower that can compete favourably in the labour market.

Core values

- Quality training
- Ethical practice
- Fairness & equity
- Teamwork
- Transparency & accountability
- Respect of rule of law
- Efficiency & efficacy

(c) Key Management

Gatanga TVC day-to-day management is under the following key organs:

- Board of Governor
- Accounting officer /Principal
- Deputy Principal-Administration
- Deputy Principal-Academic
- Ag Dean of Students
- Ag Registrar
- Ag. Head 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:

SN.	Designation	Name
1	Principal	Mr. Paul M. Githaiga
2	Deputy Principal Administration and Ag.HOD Agriculture	Ms. Rachel W.Kiroko
3	Deputy Principal Academic	Mr.Patrick Micobio
4	Ag.Registrar	Ms. Susan N. Njuguna
5	Ag.Dean of students	Ms. Rhoda Waititu
6	Finance Officer	Mr. Isaac M. Nthiga
7	Examination Officer	Mr. James Gatimu
8	Procurement Officer	Ms Maureen W.Kamau
9	Ag. Head of Building and Civil Engineering	Ms Judith Kyalo
10	Ag. Head of Mechanical engineering	Mr Luke Mwangi
11	Ag. Head of ICT	Mr Bonface Mbuvi
12	Ag. Head of Business	Ms Nouredch Nelima Malele
13	Ag. Head of Electrical Engineering	Mr.Sammy Mbugua
14	Ag. Head of Fashion and Hospitality courses	Ms.Rose Munini
15	Ag. Head of Beauty and Cosmetology	Ms Ruth Kinani
16	Admin Secretary	Ms Jane Mwangi

e) Fiduciary Oversight Arrangements

Audit committee activities

- a. Establish Internal Audit Functions
- b. Formulate whistleblowing Policy in the College
- b. Ensure all financial transactions are properly authorized
- c. To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- d. To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- e. 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;
- f. 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
- g. To exercise such other powers as the Board may from time-to-time delegate to the Committee

- *Finance and operations committee activities*

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

- *Academic committee activities*

- a. Ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning
- b. Assure quality and relevance in programmes of training;
- c. Advise on the development of schemes of service for trainers;
- d. Formulation and Review of the Academic Policy
- e. Quality Assurance & standards evaluations
- f. Development and Implementation of New Programmes
- g. Determination of Resources i.e. human resources and teaching /Learning materials
- h. Curriculum Evaluation
- i. Establish Linkage between the College and Industry
- j. Ensure Relevance of Courses to Market Needs
- k. In Charge of Graduations and Academic Awards
- l. Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity;
- m. Establish a training system which meets the needs of both the formal and informal sectors as provided under;
- n. Collect, examine and publish information relating to training;

(f) Gatanga Technical and Vocational College Headquarters

P.O. Box 6232-01000
Thika, KENYA
Gatanga-Ndakaini road off Ndunyu Chege Market

(g) Gatanga Technical and Vocational College Contacts

Telephone: (254) 713 477 791/ 0114054293
E-mail: gtvcgatanga@gmail.com/info@gatangatvc.ac.ke
Website: www.gatangatvc.ac.ke

(h) Gatanga Technical and Vocational College Bankers

1. Kenya Commercial Bank Ltd
Murang'a Branch
P.O. Box 112-10200 Murang'a



(i) Independent Auditors



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


(j) Principal Legal Adviser




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

3.The Board of Governors



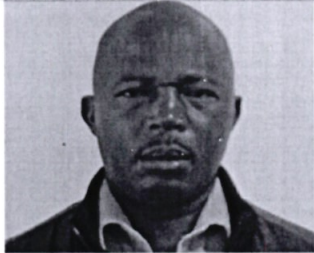
<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 <p>KIRURI NJUGUNA BOARD CHAIRMAN</p>	<p>DOB: 1958</p> <p><u>Academic Qualification:</u> -PG Diploma in Education, MBA -Diploma Public Relations Management -Diploma in Human Resource Management -MA Urban and Regional Planning -B. A Sociology and Geography</p> <p><u>Work Experience:</u> -Senior Lecturer, Business Department-Inoorero University -Part Time Teaching-JKUAT, KIMS & South Eastern Kenya University -Part Time Lecturer-National Youth Service, (Office of the Vice President)</p> <p>BOARD CHAIRMAN</p>
2.	 <p>Ms. Jane Wanjiru Gichohi Master's in Business Management</p>	<p>DOB: 1971</p> <p><u>Academic Qualification:</u> - Master's in Business Management -Bachelor of Business and Information Technology.</p> <p><u>Work Experience:</u> - Consultant/Trainer - Eureka Training and consultant Information Technology -Computer Programmer – KTDA - Company Assistant Manager - Chai Trading Company LTD, - ICT support - Kiambu Murang'a, Kirinyaga and Embu counties, -ICT manager - Ketepa -ICT Manager -KTDA region</p> <p>Finance and HR Committee</p>




<p>3.</p>	 <p>Dr. Mwangi Gachana PHD -Cognitive Linguistics</p>	<p><u>DOB:</u> 1975</p> <p><u>Academic Qualification:</u> PHD -Cognitive Linguistics, Maters of Arts - English and Linguistics Bachelors of Education.</p> <p><u>Work Experience:</u> Teacher - Saint Paul Seminary, TSC , Lecturer - Saint Mary's University of Minnesota, Tutorial Fellow - Kenyatta University Lecturer - Kenyatta University Director - Centre for Teacher Professional Development and Excellence</p> <p>Finance and HR Committee</p>
<p>4.</p>	 <p>Harun Thuo Kamau</p> <p><i>BSC. Mechanical Engineering</i></p>	<p><u>DOB</u> 1988</p> <p><u>Academic Qualification:</u> <i>BSC.Mechanical Engineering</i> <i>Diploma Mechanical Engineering</i></p> <p><u>Work Experience:</u> <i>Mechanical Engineer-Thika Power LTD</i></p> <p><i>Audit and Risk Committee</i></p>




5.	 <p>Milka Watetu Kigundu Bachelor of Science in Computer Science</p>	<p><u>DOB</u> 1981</p> <p><u>Academic Qualification:</u> Diploma in Business Management Bachelor of Science in Computer Science</p> <p><u>Work Experience:</u> Assistance Office Administrator-Lichi Security Systems</p> <p>Chairperson-Audit and Risk Committee</p>
6.	 <p><i>Mr Daniel Gitau Kamau</i></p> <p>Master of Science in Project management</p>	<p><u>DOB:</u> 1987</p> <p><u>Academic Qualification:</u> -Master of Science in Project management -Bachelors of Business Administration</p> <p><u>Work Experience:</u> Finance Manager/Acting GM-Murang'a County cooperative Union. Technical Project consultant-Wisen Consultancy Business Intelligent and Development Manager- Danfrik LTD Retail Business Banker-KCB Project Finance Manager-NESC/UNDP</p> <p>Chairman-Finance and HR Committee</p>



7.	 <p><i>Mr. Wafula Luasi Nabutola</i> Master of Science, Construction Project Management</p>	<p><u>DOB</u> 1956</p> <p><u>Academic Qualification</u> Bachelor of ARTS IN Land Economics Master of Science, Construction Project Management.</p> <p><u>Work Experience</u> Regional Director-RICS</p> <p>Academic and Technical Committee</p>
8.	 <p>Mr. Paul M. Githaiga Principal/Secretary BOG MBA(Accounting)JKUAT,</p>	<p><u>DOB:</u> 1970</p> <p><u>Academic Qualification:</u> MBA(Accounting)JKUAT, BB(Accounting) MKU Dip Acc. KNEC, Dip Education KSVET, CPAK</p> <p><u>Work Experience:</u> Nineteen (19) years with PSC(7 in management positions)</p> <p>Principal/Secretary BOG</p>
9.	 <p>Mr Charles Nyota CDTVET</p>	<p><u>DOB</u> 1970</p> <p><u>Academic Qualifications</u> Masters in Computer Science</p> <p><u>Work Experience</u> County Director TVET Mt Kenya West</p> <p>Finance and HR Committee</p>




4. Key Management Team

SN.	Member	Details
1.	 <p>Mr. Paul M. Githaiga MBA(Accounting)JKUAT,</p>	<p>Principal/SEC. BOG Accounting Officer</p>
2.	 <p>Ms. Rachel Kiroko Masters in IT and Bachelor of Education and Counseling</p>	<p>Deputy Principal Administration and Ag.HOD Agriculture</p>
3.	 <p>Patrick Micobio Mwangi Bachelor of Business Management (Accounting option</p>	<p>Deputy Principal Academic</p>

4..	 <p>Ms. Susan Njuguna Bachelor of Education in Computer studies and Mathematics</p>	Ag. Registrar
5.	 <p>Ms. Rhoda Waititu Bachelor of Science in Computer</p>	Ag, Dean of Students
6.	 <p>Mr Isaac M,Nthiga CPA(K) and Bachelor of Commerce Finance option</p>	Finance Officer

7.	 <p>Mr. James Gatimu Higher National Diploma in Electrical and Electronic Engineering-Power Option</p>	Ag. Examination Officer
8.	 <p>Ms. Maurine W. Kamau Diploma in Procurement and Supply Chain Management</p>	Assistance Procurement Officer
9.	 <p>Ms Judith Kyalo Bachelor of Science in Quantity Surveying</p>	Ag. HoD Building and Civil Engineering

10.	 <p>Mr. Lukas Mwangi Bachelor's Degree-Mechanical Engineering</p>	Ag. HoD Mechanical Engineering
11.	 <p>Mr. Bonface Mutinda Bachelor of Business Information and Technology</p>	Ag. HoD ICT

<p>12.</p>	 <p>Ms. Noreech Nelima Malele Bachelor of Commerce Accounting Option</p>	<p>Ag. HoD Business</p>
<p>13.</p>	 <p>Mr. Sammy Mbugua Mikinya Bachelor of Science in Electronic and Computer Engineering</p>	<p>Ag. HoD Electrical Engineering</p>
<p>14.</p>	 <p>Ms. Rose Munini Diploma in Clothing Technology and Technical Education</p>	<p>Ag. HoD Institutional Management Courses</p>

15	 Ms Ruth Kinani National Diploma in Cosmetology	Ag. Head of Beauty and Cosmetology
16.	 Ms. Jane Mwangi Certificate in Secretarial Studies	Admin.Secretary

5. Chairman's Statement

I am pleased to present the Annual financial statement of Gatanga Technical & vocational college institute for the period ended 30th June 2025.

The demand for TVET programmes in the country has continued to rise prompting the institution to continually introduce academic programme that respond to the demand of the market. The objective of the board is to position the GTVC main programmes within the context of the market requirements, cost rationalisation, equity and customer satisfaction.

During the financial period, key achievements realized were;

- Increased student's enrolment
- Substantial physical infrastructure
- Establish and Strengthened collaboration and liaison with key local industries where the college can attach its trainees.
- Established collaboration with the sister institutions.
- Established public private partnership to address the shortage of accommodation spaces for the increased population growth.
- Participated in various KATTI activities at both the regional and national levels.

During this financial year, the new board was inaugurated on 26/03/2025 and committees were formed.

Am glad that the college participated in Performance Contracting. This has helped in achieving targets set out in the Performance Contract as drawn from the strategic plan during the year under review.

I am proud to note that most of the goals set out within the year of the strategic plan have indeed been achieved. These include:

- Growth in student's numbers,
- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructures to support academic programmes.

The college received Government Scholarship and GoK capitation for the college trainees however not in full. These funding has enabled the college acquire equipment that will make it go –a-long way in ensuring that trainees are equipped with relevant skills therefore increasing their marketability.

The college has witnessed significant growth of the institute assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the

members of the board who have provided useful insight to the college management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and will work closely with the GTVC top management team in order to realise further development. The board is pleased with efforts of the GTVC key management personnel that has ensured prudent management of resources.

I thank the government for its financial support so far that has made it possible to implement the GTVC functions and programmes and also enabled the college to increase its enrolment within the year under review.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

Kiruri Njuguna

Chair of the Board of Governor's

A handwritten signature in blue ink, appearing to read 'Kiruri Njuguna', is written over the printed name and title. The signature is stylized and cursive.

6. Report of the Principal

Pursuant to the Public Finance Management Act, 2012 and public audit Act, 2003, I take this opportunity to present the financial statement of Gatanga Technical & Vocational College for the period ended 30th June 2025. The report is premised on the Institute's Strategic plan 2023/2027 and the Performance Contract 21st cycle for the financial year 2024/2025. I joined Gatanga Technical College on 30th May 2025 and have found some tremendous improvements.

The institution aims at diversification of revenue streams through and by initiating the following measures;

- a. Lobby for more financial support from government to finance in the development of the proposed projects.
- b. Aggressive marketing of the college programmes to increase trainee's enrolment
- c. Establishing income generating activities and strengthening the existing ones
- d. Collaborate with industries agencies for innovations funding and Dual training.
- e. Soliciting for grants, donations and sponsorship.
- f. Instituting income generating activities.

The population by 30th June 2025 was 1172 students from 497 at the beginning of the financial year which represent 136% growth. This has been made possible through aggressive marketing campaign done during the year. However, this increase in population had resulted to some challenges in terms of infrastructures like classrooms, workshops, equipment and even need for extra trainers

The institution carried out an analysis of the internal and external environment using (SWOT) and (PESTEL) analysis. This provides an implementation road map to monitor and evaluate mobilisation of the resources generated to realise the institute core mandate. The mandate of the board of governors among other things is to provide apex management towards achieving the Institute mandate as per the TVET Act 2013. Further to this the Institute envisages to strengthen its financial base through promotion of good governance and effective management. The board is supportive to the management in all spheres as far as the implementation of our strategic plan is concerned.

During the financial year under review, the institution embarked on establishing a number of new academic programmes, Level 3,4,5 and 6 in Hospitality and tourism management.

On behalf of the management and staff of GTVC, I take this opportunity to thank the Board of the Governors for the support accorded to the Institution management to be able to undertake the day to day activities and for its visionary direction in development of the college.

Challenges

For effective teaching and learning the Institute emphasizes on the need for adequate staffing across all the departments. During the year, majority of the departments did not have sufficient PSC staff to handle the trainees effectively. Shortage of trainers is therefore one of the challenges facing the Institution. In order to alleviate the shortage, the Institute has been hiring staff on contract basis to close the gaps. The hired staffs are paid by the Institute from its meagre resources. During the 2024/2025 financial year, the Institute maintained 18 trainers under the BOG contract and the number is likely to increase due to our anticipated increased enrolment.

Our physical training facilities have also not increases to match the increasing number of trainees. The Institute is mandated by the TVET Act 2013 and is expected to ensure that training and research are top in our agenda. In order to effectively deliver on this mandate, the Institute envisages enhancing capacity and deepening its training skills and this calls for CPD to all staff and especially for the introduced Modularized curriculum. With limited financial resources, this has been a challenge. The process of getting a title for the institute land was not completed during the year as it's still going on, it remains a challenge.

I appreciate the financial support from the GoK throughout the year under review though we appeal for more support especially for the purpose of establishing suitable facilities required towards becoming the TVET of choice for trainees in Kenya and beyond.

I thank all the trainers, support staff and trainees of GTVC for their continued cooperation in this challenging but noble task of building the college and I look forward to the same cooperation and enthusiastic participation in 2025/2026 financial year.

The college achieved a milestone by construction of two plumbing workshops, hospitality workshop, addition of two ladies' washrooms and adding new equipment for Beauty, Fashion Building, and hospitality departments plus acquisition of an integral chase engine for automotive department and therefore enhancing our capacity to give practical training.



Paul M. Githaiga

Principal/Secretary of the board

7. Statement of Performance against Predetermined Objectives

Gatanga Technical has 8 strategic pillars and 12 objectives within current Strategic Plan for the FY 2024-2025.

Gatanga develops its annual work plans based on the above pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. *Gatanga* achieved its performance targets set for the FY 2024/25 period for its 8 strategic pillars, as indicated in the diagram below:

Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Access and equity	To enhance access and equity to quality TVET training	No. of students enrolled No. of programmes launched	Design flexible and blended learning programmes	1.Enrollment increased from 497 to 1,106 2.New courses were introduced like hospitality and short courses
2:	Institutional ,Corporate Governance /Management	Improve Institutional corporate governance/Management	Promote good corporate governance	Establish institutional policies, strategies and programmes that are responsive to effective governance and management of TVET	The College policies were reviewed by the management and approved by the board
3:	ICT	Promote effective application of ICT	e-books acquired and utilized E-learning materials	Acquisition of e-books Training of trainers	E-library was installed and students are able to obtain e-materials for study
4:	Research and Innovation	Create forums for sensitization of staff and students	Institutionalize research and development	Participate in TVET Fairs	The college participated in the KATTI fair

GATANGA TECHNICAL AND VOCATIONAL COLLEGE

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

		-Develop a reward system for innovations			trade both at regional and National levels
5:	Financial resources	Enhance fees collection	To improve the financial position of the college	Control systems established and implemented	The was increase in fee correction from twenty one million from the previous year to twenty five million in the current year 2024/2025
6:	Human Resource	Liaise with the PSC for meeting gaps in teaching and support staff	-Manpower requirements determined	-Teaching staffing gaps was not fully addressed	Three trainers were recruited under PSC. and the board employed some trainers through contract
7:	Collaboration and linkages	Review and strengthen existing frameworks for collaborations and linkages in TVET	Mechanisms for benchmarking and joint cooperation in TVET developed and implemented	Number of mechanisms	Two memorandum of understanding were signed between the college and two tea factories
8:	Infrastructure improvement	To provide adequate infrastructure for quality service delivery	Increased capacity for quality service delivery	- Develop infrastructure plans and designs - Source for funding	There was construction of the plumbing workshops and Hospitality workshop which was almost complete

8. Corporate Governance Statement

Terms of reference of committees

The college Board consists of board members, who have been appointed in accordance with the TVET Act (2013).

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.

BOARD COMMITTEES

To assist the Board in the discharge of its responsibilities, Board committees have been established. All the Board committees meet. The committees are as follows: -

1. FINANCE AND HUMAN RESOURCE COMMITTEE

Responsibilities:

- a) To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
- b) To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
- c) To report to the Board all matters related to finance and development;
- d) To ensure that accurate records are kept on the establishments in the Institute;
- e) 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;
- f) To report to the Board on the progress of physical infrastructure development of the Institute;

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 Technical committee

- a) Formulation and Review of the Academic Policy
- b) Quality Assurance & standards evaluations
- c) Development and Implementation of New Programmes
- d) Curriculum Evaluation
- e) Establish Linkage between the College and Industry
- f) Ensure Relevance of Courses to Market Needs
- g) In Charge of Graduations and Academic Awards

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 new board was inaugurated on 26th March 2025 and will run for three years.

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 knowledge and experience

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

Board Charter

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

Policy to manage Conflict of interest

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

Ethics and Conduct

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

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

9. Management Discussion and Analysis

The college has performed well during last financial year. We were able to maintain discipline of both staff and students and made sure that training went on well. This can be attested by the good final examination results received during the year where the college posted 80% pass overall. The college also performed well financially. We were able to accomplish all financial decisions made. All the statutory deductions were remitted on time, this included; SHIF, NSSF, NITA, PAYE and Affordable Housing Levy.

The college ended the year with no outstanding bills. The main risks facing the college are financial due to low student population growth, reduced government grant and no development funds. The funding received from capitation is all going to recurrent expenditure leaving almost nothing to developments. Since the college is only three years old, it requires a lot of financial support to put up more infrastructures to be able to admit more students. We have no office space, ablution block, and lecture rooms hence the college existence is at great risk.

10. Environmental And Sustainability Reporting Statement

Gatanga Technical and Vocational College (TVC) is committed to fostering environmental sustainability through practical initiatives that conserve natural resources, enhance environmental literacy, and promote green practices across the institution. This report highlights the key environmental and sustainability activities undertaken in the financial year July 2024 to June 2025.

Key Achievements

Tree Planting and Greening

- A total of **50 trainers each planted 30 trees**, resulting in **1,500 trees** planted within the institution and surrounding community.
- The institution successfully **propagated 5,000 seedlings** at its nursery to ensure a sustainable supply of trees for future planting and donations.
- **1,000 seedlings were donated and planted at Ndunyu Chege Primary School**, strengthening community engagement and environmental stewardship.

Water and Energy Conservation

- **Water harvesting systems** were installed on **five (5) buildings**, improving water conservation and reducing dependency on external sources.
- **Five solar-powered security lights** were installed within the compound, along with **one at the reception office**, enhancing security while reducing reliance on grid electricity.
- All **lighting systems were replaced with energy-saving bulbs**, cutting down institutional electricity consumption and operational costs.

Waste Management

- All departments adopted an **Integrated Waste Management and Disposal Policy**, ensuring that waste is minimized, segregated, and disposed of responsibly.

Environmental Literacy and Awareness

- **Environmental literacy sessions** were integrated into all departments, equipping learners and staff with knowledge and skills to promote sustainable practices in daily activities and future careers.

Infrastructure and Aesthetics

- The institution enhanced its infrastructure by installing **cabros and pavements** within the compound, reducing soil erosion, dust, and muddy pathways during rainy seasons.

Impact of Initiatives

The above initiatives have yielded the following positive outcomes:

- **Improved biodiversity** and green cover within the institution and surrounding community.
- **Enhanced water security** through rainwater harvesting.
- **Reduced carbon footprint** and energy costs through solar lighting and energy-efficient bulbs.
- **Cleaner and safer environment** due to integrated waste management.
- **Raised environmental consciousness** among trainers, students, and the wider community.

Despite the achievements, the college faced challenges such as:

- Limited financial resources to scale up green initiatives.
- Need for continuous monitoring and maintenance of planted trees and installed systems.
- Increasing demand for seedlings from the community, requiring expansion of nursery facilities.

Recommendations and Way Forward

- Strengthen partnerships with government agencies, NGOs, and community stakeholders to mobilize resources for greening projects.
- Expand the institutional tree nursery to increase seedling production and distribution.
- Introduce **waste recycling projects** (e.g., composting, plastic reuse) to further enhance sustainability.
- Develop a **Green Campus Policy** to mainstream environmental practices into all operations of the college.
- Organize annual **Environmental Days** to showcase progress and engage students in green innovations.

Gatanga Technical and Vocational College has made significant progress in embedding sustainability into its operations during the 2024/2025 financial year. Through collaborative efforts, the institution continues to demonstrate leadership in environmental stewardship, aligning with Kenya's national sustainability agenda and global climate action goals.

Employee welfare

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

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

Health and safety – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported. The college has envisioned operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

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

Market place practices-

- a) Responsible competition practice.
The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence.
- b) Responsible Supply chain and supplier relations-
The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers.
- c) Responsible marketing and advertisement
The college carries out normal marketing through media and organized talks.
- d) Product stewardship.
Trainees trained in Gatanga Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Gatanga Technical and Vocational College is committed to offering the best and top quality training.

Corporate Social Responsibility / Community Engagements

The college did not have much on corporate social responsibilities because it is only five years old and still struggling financially and relying 100% on government funding. But in the year under review, we had organised a career talk for all the school leaver within Gatanga sub-county

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the period ended June 30, 2025, which show the state of the *Gatanga TVC* affairs.

Principal activities

The principal activities of Gatanga TVC is to nature technical skills and to be a center of excellence in producing skilled manpower that can compete favorably in local and International labour market.

Results

The results of Gatanga TVC for the period ended June 30 2025 are set out on page 1 to 5

Board of Governors

The members of the Board who served during the year are shown on page IX to XII.

Auditors

The Auditor General is responsible for the statutory audit of Gatanga TVC 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

Date: 28/11/2025

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the Board members to prepare financial statements in respect of Gatanga TVC, 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 *Gatanga TVC*. The Board members are also responsible for safeguarding the assets of the *Gatanga TVC*.

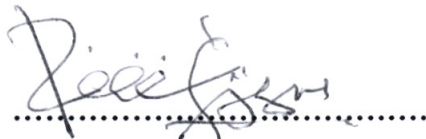
The Board members are responsible for the preparation and presentation of the *Gatanga TVC's* financial statements, which give a true and fair view of the state of affairs of the *College* for and as at the end of the financial period ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Gatanga TVC, (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 State Corporations Act, and the TVET Act*) The Board members are of the opinion that Gatanga TVC's financial statements give a true and fair view of the state of *College's* transactions during the financial period ended June 30, 2025, and of the *College's* financial position 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 Gatanga TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Gatanga TVC financial statements were approved by the Board on 26/08/2025 and signed on its behalf by:



Name **KIRWA NJUGUNA**
Chairperson of the Board



Name **PAUL GITHAKA**
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 GATANGA 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 Gatanga Technical and Vocational College set out on pages 1 to 34, 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

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

and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Gatanga Technical and Vocational College as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment Balance

The statement of financial position and as disclosed in Note 20 to the financial statements reflects a balance of Kshs.103,134,922 in respect of property, plant and equipment. The amount includes Kshs.20,000,00 as net book value for land. However, ownership documents for the piece of land were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of land balance of Kshs.20,000,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.53,400,500 and Kshs.34,941,364 respectively resulting to an under-funding of Kshs.18,459,136 or 34% of the budget. Similarly, the College spent Kshs.38,186,105 against actual receipts of Kshs.34,941,364 resulting to an over-utilization of Kshs.3,244,741 or 9% of the actual receipts.

The under-funding 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 Issues

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 in the Financial Statements
2	2023/2024	Valuation of Property, Plant and Equipment
3	2023/2024	Budget Control and Performance
4	2023/2024	Lack of an Imprest Register
5	2023/2024	Direct Procurement of Goods and Services

Other Information

The Management is responsible for the other information set out on pages iii to xxxiii which comprises, which comprises 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. Officers in Acting Positions for More than Six Months

Review of the staff personal files revealed that nine (9) staff members were on acting position for more than six (6) months as at the time of audit in November, 2025, contrary to Section 34(3) of the Public Service Commission Act, 2017 which provides that an officer may be appointed in an acting capacity for a period of at least thirty (30) days but not exceeding a period of six (6) months.

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

2. 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 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.

3. Non-Compliance with Public Procurement Capacity Building Levy

The College did not comply with the requirements of Legal Notice No.206 of 2023 (The Public Procurement Capacity Building Levy Order, 2023) during the financial year 2024-2025. The College did not deduct the mandatory levy of 0.03% from all contracts signed after 1st Sept 2024. Additionally, a summary of contracts signed after 1st Sept was not provided for audit review.

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. Deviations from the Approved Staff Establishment

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 follows: -

Critical Vacancies	Approved	Actual	Variance
Human Resource	1	0	1
Internal Audit Clerk	1	0	1
Assistant Procurement Officer	1	0	1
Librarian	1	0	1
Non-Critical Roles			
Administrative Assistants	8	2	6
Maintenance/Cleaners	8	2	6
Technical Roles			
Technicians	6	4	2

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

2. Long Outstanding Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.67,384,664 as disclosed in Note 17 to the financial statements. Review of compliance with fees payment revealed that only Kshs.25,405,395 or 36% of the total billed fees was actually received during the year under review, leaving an outstanding balance of Kshs.44,937,052 or 64%. 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 of the debt policy and management by the College 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 the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as 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

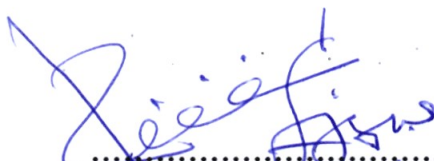
GATANGA TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	Period Ended	Period Ended
		30 th June 2025	30 th June 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	9,427,204	9,101,486
		9,427,204	9,101,486
Revenue from Exchange transactions			
Rendering of services- fees from students	7	70,342,447	32,347,295
Sale of goods	8	14,660	1,720
Miscellaneous income	9	94,105	137,000
Revenue from Exchange transactions		70,451,212	32,486,015
Total Revenue		79,878,416	41,587,501
Expenses			
Use of goods and services	10	22,853,465	21,016,125
Employee costs	11	6,719,098	6,047,106
Board Expenses	12	1,397,005	1,081,261
Depreciation	13	11,108,994	12,774,719
Repairs and maintenance	14	1,078,115	423,325
Finance costs	15	6,298	17,360
Total Expenses		43,162,975	41,359,896
Other Gains/(Losses)			
Net surplus for the year		36,715,441	227,605

(The notes set out on pages 8 to 35 form an integral part of the Annual Financial Statements).

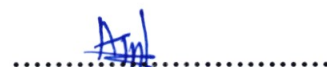
The Financial Statements set out on pages 1 to 7 were signed by:



Chairman of Board



Principal



Finance Officer

Date

Date 28/11/2025.

ICPAK No 27230

Date 28/11/2025

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

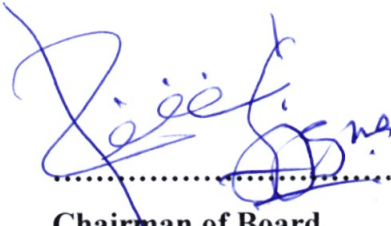
15. Statement of Financial Position As At 30th June 2025

<i>Description</i>	<i>Notes</i>	<i>Period Ended</i>	<i>Period Ended</i>
		<i>30th June 2025</i>	<i>30th June 2024</i>
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	2,259,390	5,504,131
Current portion of receivables from exchange transactions	17	67,384,664	12,574,028
Receivables from non-exchange transactions	18	3,146,641	3,146,641
Inventories	19	332,825	468,622
Total Current Assets		73,123,520	21,693,422
Non-Current Assets			
Property, plant, and equipment	20	103,134,922	109,231,836
Intangible assets	21	1,120,044	0
Total Non-Current Assets		104,254,966	109,231,836
Total Assets (A)		177,378,486	130,925,258
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	335,031	813,278
Refundable deposits from Students(Caution)	23	2,474,730	1,181,830
KUCCPS	24	3,875,500	1,552,000
Examination	25	1,245,121	579,495
CDF	26	76,931	251,287
Creditors(suppliers)	27	252,691	0
Total Current Liabilities		8,260,004	4,377,890
Non-Current Liabilities			
Total Liabilities (B)		8,260,004	4,377,890
Net Assets (A-B)		169,118,482	126,547,368
Represented By:			

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

<i>Description</i>	<i>Notes</i>	<i>Period Ended</i>	<i>Period Ended</i>
		<i>30th June 2025</i>	<i>30th June 2024</i>
		Kshs	Kshs
Accumulated Surplus		45,718,413	9,002,972
Capital Fund		104,254,966	109,231,836
Net Assets		149,973,379	118,234,808

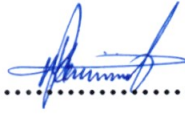
The Financial Statements set out on pages 1 to 7 were signed by:



Chairman of Board

Date

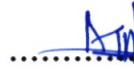
28th Nov 2025



Principal

Date

28/11/2025



Finance Officer

ICPAK No 27230

Date

28/11/2025

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

Description	Revalu ation reserve	Accumulat ed Fund	Capital Grants/Fun d	Total
At July 1, 2023	0	8,775,367	119,474,886	128,250,253
Revaluation gain	0	-	-	0
Surplus for the year	-	227,605	-	227,605
Capital grants received during the year	-	-	2,531,669	2,531,669
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		(12,774,719)	(12,774,719)
At June 30, 2024	0	9,002,972	109,231,836	118,234,808
At July 1, 2024	0	9,002,972	109,231,836	118,234,808
Surplus for the year	-	36,715,441	-	36,715,441
Capital grants received during the year	-		6,132,124	6,132,124
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		(11,108,994)	(11,108,994)
At June 30, 2025	0	45,718,413	104,254,966	149,973,379

GATANGA TECHNICAL AND VOCATIONAL COLLEGE
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17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		9,427,204	9,101,486
Rendering of services- fees from students		25,405,395	21,739,540
Sale of goods		14,660	1,720
Miscellaneous income		94,105	137,000
Total Receipts		34,941,364	30,979,746
Payments			
Use of goods and services		22,853,465	18,484,456
Employee costs		6,719,098	6,047,106
Board /Council Expenses		1,397,005	1,081,261
Repairs and maintenance		1,078,115	423,325
Finance cost		6,298	17,360
Total Payments		32,053,981	26,053,508
Net Cash Flows from operating activities		2,887,383	4,926,238
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(6,132,124)	(2,531,669)
Net cash flows used in investing activities		(6,132,124)	(2,531,669)
Net Decrease in Cash and Cash equivalents		(3,244,741)	2,394,569
Cash and Cash equivalents at 1 JULY		5,504,131	3,109,562
Cash and Cash equivalents at 30 JUNE		2,259,390	5,504,131

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Transfers from other National Government entities	9,000,000	0	9,000,000	9,427,204	427,204	105
Rendering of services- fees from students	41,520,500	0	41,520,500	25,405,395	(16,115,105)	59
Other Incomes	2,880,000	0	2,880,000	108,765	(2,771,235)	4
Total Receipts	53,400,500	0	53,400,500	34,941,364		
Payments						
Use of goods and services	26,364,340	0	26,364,340	22,853,465	(3,510,875)	87
Employee costs	8,146,160	0	8,146,160	6,719,098	1,427,062	83
Board Expenses	1,690,000	0	1,690,000	1,397,005	292,995	83
Repairs and maintenance	1,100,000	0	1,100,000	1,078,115	21,885	98
Finance Cost	0	0	0	6,298		
Total Expenditure Payments	53,400,500	0	53,400,500	32,053,981		
Capital Expenditure Payments	16,100,000		16,100,000	6,132,124		
Deficit	0	0	0	3,244,741		

1. The college was unable to realize full revenue from exchange transactions as many of the students who reported during the month of February 2025 had not paid their fees plus they had not received any funds from the government.
 2. Budget for other incomes was not realized as there was low uptake of computer services plus many trainees were not able to pay their fee in full during the year.
 3. The college had budgeted to employ an internal auditor plus a receptionist. Services of internal auditor from Michuki Technical training college was sourced i.e. government to government sourcing and this reduced expenditure on employees.
 4. The new board was inaugurated on 26th March 2025 and therefore they did not hold their meetings in the last quarter of the financial year
- The college management has laid down measures to ensure students do pay their fees in time and has encouraged them to apply for bursaries, HELB loans and government scholarship.**

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Deficit Amounts as per the statement of the Budget	3,244,741
	Net Decrease in Cash and Cash equivalents	3,244,741

19. Notes to the Financial Statements

1) General Information

Gatanga TVC is established by and derives its authority and accountability from TVETA Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is offering technical skills to trainees.

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 financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Gatanga TVC. The values are rounded off to the nearest shilling.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the periods presented.

3) Adoption of New and Revised Standards

- i. *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. 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	<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:

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Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<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 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

4) Summary of Significant Accounting Policies

a) **Revenue recognition**

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Development/capital grants are recognized in the statement of performance after meeting revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

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. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

Sale of goods

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on **09/07/2024**. Gatanga TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a 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

Gatanga TVC is exempt from paying taxes as per paragraph 10 of the schedule of the ***Income Tax Act***.

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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized 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.

f) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Trade and other receivables

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

g) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Related parties

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

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial period. 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 period.

j) Comparative figures

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

k) Subsequent events

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

5) Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

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6) Transfers from other National Government entities

Description	Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants -State Department for Technical ,Vocational Educational and Training	7,492,850	6,264,425
Operational Grant- State Department for Technical ,Vocational Educational and Training	0	1,500,000
Government Scholarship -State Department for Technical ,Vocational Educational and Training	1,934,354	1,337,061
Total unconditional Grants	9,427,204	9,101,486
Total Government Grants and Subsidies	9,427,204	9,101,486

(a)Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for Technical ,Vocational Educational and Training	9,427,204	0	0	9,427,204	9,101,486
Total	9,427,204	0	0	9,427,204	9,101,486

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7) Rendering of Services

	Kshs	Kshs
Tuition Fees	22,672,129	11,918,895
Activity Fees	4,827,815	1,549,778
Industrial Attachment Fees	5,919,914	1,576,680
Examination Fees	4,646,081	4,018,908
Registration Fees	395,600	99,500
Electricity, Water and Conservancy	3,595,654	1,437,918
Local Travel and Transport	5,637,634	1,904,508
Repair Maintenance and Improvement	2,341,354	694,445
Student Welfare	632,900	243,000
T-shirt	3,900	12,700
Caution Money	0	440,000
College ID	808,000	455,000
Personal Emolument	15,285,491	5,710,563
Computer Packages	246,975	159,900
TVETA	1,006,000	573,000
KUCCPS	2,323,000	1,552,500
Total Revenue from The Rendering of Services	70,342,447	32,347,295

Rendering of services is made of fee charges as invoices to all the trainees who reported during the financial year 2024/2025 as per the fees structure

8) Sale of Goods

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Sale of maize and maize stalk	4,440	950
Sale of bananas	5,550	450
Sale Sukuma wiki and cabbages	4,670	70
Sales of Plastic bottles	0	250
Total Revenue from Sale of Goods	14,660	1,720

The funds were raised from the sales of College garden items which were sold mainly to college trainers, staff and trainees.

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9) Miscellaneous Income

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Income from sales of Tenders	1,000	0
Mechanical Engineering Works	1,000	0
Mechanical Engineering Training	70,000	137,000
Sales of Disposable materials	13,425	0
Trainee practical workbook	4,400	0
Hospitality meal sales	4,280	0
Total other income	94,105	137,000

10) Use of Goods and Services

Description	Period ended 30 th June 2025	Period ended 30 June 2024
	Kshs	Kshs
Teaching and learning materials	13,122,325	8,003,485
Industrial attachment costs	209,760	221,611
Electricity	579,724	505,149
Water	77,100	55,550
Examination fees	3,980,455	4,182,152
Travelling and accommodation	2,593,252	2,690,915
Activity	1,953,910	2,076,404
Student Welfare	229,575	150,417
T-Shirt	0	0
Students College Cards	0	17,600
Computer Packages	70,785	18,773
Caution	14,700	8,400
Mechanical Training Seminars	21,879	35,500
KUCCPS	0	157,500
TVETA Expenses	0	361,000
Purchase of PPE	0	2,094,480
Work In Progress	0	437,189
Total good and services	22,853,465	21,016,125

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11) Employee Costs

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Salaries and wages	3,871,709	4,657,521
NSSF	525,790	572,076
SHIF	124,665	171,700
PAYE	42,594	28,266
HELB	3,340	24,926
Casuals	2,007,148	439,661
NITA Levy	12,190	14,860
AHL	131,662	138,096
Employee Costs	6,719,098	6,047,106

12) Board Expenses

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Total	1,397,005	1,081,261

13) Depreciation and Amortization expense

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Property, plant and equipment	8,996,931	11,088,636
Intangible assets(Soft Wares)	160,081	182,875
Buildings	806,027	822,477
Furniture and Fittings	428,166	275,307
Computers and Printers	684,015	357,511
Library Books	33,774	47,913
Total depreciation and amortization	11,108,994	12,774,719

14) Repairs and Maintenance

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Property	807,470	0
Equipment and Machinery	243,145	0
Furniture and fittings	2,500	423,325
Computers and accessories	25,000	0
Total	1,078,115	423,325

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15) Finance Costs

Description	Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Kshs	Kshs
Bank Charges	6,298	17,360
Total Finance Costs	6,298	17,360

16) Cash and Cash Equivalents

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Account	2,256,445	5,501,001
Cash in Hand	2,945	3,130
Total Cash and Cash Equivalents	2,259,390	5,504,131

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

Financial Institution	Account number	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1222518384	2,256,445	5,501,001
Sub- Total		2,256,445	5,501,001
Sub- Total		2,945	3,130
Grand Total		2,259,390	5,504,131

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17) Receivables from Exchange transactions

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	67,384,664	12,271,910
Total Current Receivables c/d	67,384,664	12,574,028

17.(a) Ageing Analysis of Receivables from Exchange transactions

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	55,326,778	82%	8,035,957	64%
Between 1- 2 years	7,853,720	12%	3,563,495	28%
Between 2-3 years	3,254,590	5%	893,475	7%
Over 3 years	949,576	1%	81,101	1%
Total	67,384,664	100%	12,574,028	100%

17.(b) Current Receivables from Exchange transactions

Description	Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	67,384,664	12,574,028
Total Current Receivables	67,384,664	12,574,028

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18) Receivables from Non-Exchange transactions

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	3,146,641	3,146,641
Total Current Receivables	3,146,641	3,146,641

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

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	0%	-	0%
Between 1- 2 years	-	0%	2,122,500	67%
Between 2-3 years	2,122,500	67%	1,024,141	33%
Over 3 years	1,024,141	33%	-	%
Total	3,146,641	100%	3,146,641	100%

19) Inventories

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Consumable stores	293,574	458,062
Cleaning Materials stores	39,251	10,560
Total Inventories at lower of Cost and Net Realizable Value	332,825	468,622

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20) Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Library Books	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	0	0.02	0.125	0.3	0.2	0.33	0	
At 1st July 2023	20,000,000	41,116,838	1,961,954	1,025,363	54,528,941	113,790	0	118,746,886
Additions	0	7,000	240,500	166,340	914,240	31,400	437,189	1,796,669
At 30th June 2024	20,000,000	41,123,838	2,202,454	1,191,703	55,443,181	145,190	437,189	120,543,555
Depreciation	0	-822,477	-275,307	-357,511	-11,088,636	-47,913	0	-12,591,844
NBV AS AT 30TH June 2024	20,000,000	40,301,361	1,927,147	834,192	44,354,545	97,277	437,189	107,951,711
As 1st July 2024	20,000,000	40,301,361	1,927,147	834,192	44,354,545	97,277	437,189	107,951,711
Additions	0	0	1,498,180	1,445,860	630,110	8,100	2,549,874	6,132,124
At 30th June 2025	20,000,000	40,301,361	3,425,327	2,280,052	44,984,655	105,377	2,987,063	114,083,835
Depreciation	0	806,027	428,166	684,015	8,996,931	33,774	0	10,948,913
Net Book Values 2025	20,000,000	39,495,334	2,997,161	1,596,037	35,987,724	71,603	2,987,063	103,134,922
At 30th June 2024	20,000,000	40,301,361	1,927,147	834,192	44,354,545	97,277	437,189	107,951,711
At 30th June 2025	20,000,000	39,495,334	2,997,161	1,596,037	35,987,724	71,603	2,987,063	103,134,922

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Murang'a County Government-Ministry of Land and Physical planning on 4/07/2024. These amounts were adopted in the financial statements on 5th July 2024.

20) (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	20,000,000	0	20,000,000
Buildings	44,485,919	4,990,585	39,495,334
Plant And Machinery	102,894,135	66,906,411	35,987,724
Computers and Related Equipment	5,732,460	4,136,423	1,596,037
Office Equipment, Furniture, And Fittings	4,724,245	1,727,084	2,997,161
Work in Progress	2,987,063	0	2,987,063
Library books	274,030	202,427	71,603
Total	181,097,852	77,962,930	103,134,922

21) Intangible Assets

Description	Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Kshs	Kshs
Cost		
At beginning of the year	1,280,125	728,000
Additions	0	735,000
At end of the year	1,280,125	1,463,000
Depreciation And Impairment	0.125	0.125
Armortisation	160,081	(182,875)
NBV	1,120,044	1,280,125

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22) Trade and Other Payables

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Fees paid in advance b/d			1,092,827	
Trainees debtors			279,549	
Total Trade and Other Payables c/d			813,278	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	92,370	28%	813,278	100%
Over one year	242,661	72%	0	0%
Total (to tie to totals above)	335,031	100%	813,278	100%

23) Refundable Deposits from Customers/Students

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Consumer deposits	1,181,830		750,230	
Caution money	1,307,600		440,000	
Other refundable deposits	(14,700)		(8,400)	
Total Deposits	2,474,730		1,181,830	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,307,600	53%	440,000	37%
1-2 years	440,000	18%	325,000	28%
2-3 years	310,300	13%	237,000	20%
Over 3 years	416,830	16%	179,830	15%
Total (to tie to totals deposits above)	2,474,730	100%	1,181,830	100%

24) Refundable Deposits from (KUCCPS)

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Bal b/f	1,552,000		157,000	
Received	2,323,000		1,552,500	
Paid	0		(157,500)	
Total Deposits	3,875,000		1,552,000	

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25) Refundable Deposits from Students(EXAMINATIONS)

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Bal b/f	579,495		742,739	
Received	4,646,081		4,018,908	
Paid	(3,980,455)		(4,182,152)	
Bal c/d	1,245,121		579,495	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,245,121	100%	579,495	100%
Total (to tie to totals deposits above)	1,245,121	100%	579,495	100%

26) REFUNDABLE DEPOSITS FROM STUDENTS (HELB AND SCHOLARSHIP)

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Unallocated HELB and Bursary	76,931	251,287
Total	76,931	251,287

27) CREDITORS(SUPPLIERS)

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Suppliers	252,691	0
Total	252,691	0

Gatanga TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Gatanga TVC obligation under the scheme is limited to specific contributions legislated from time to time and currently had no obligation as at 30th June 2025.

28) Financial Risk Management

Gatanga TVC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The College 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 College does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

Gatanga TVC financial risk management objectives and policies are detailed below:

(i) Credit risk

Gatanga TVC 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 College's management based on prior experience and their assessment of the current economic environment.

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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 (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

29) Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;

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- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

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

Description	Period Ended 30 th June 2025	Period Ended 30 th June 2024
	Kshs	Kshs
Transactions with Related Parties		
A) Purchases from related parties		
Purchases of electricity from kplc	579,724	505,149
Purchase of water from govt service providers	77,100	55,550
Total	656,824	560,699
a) Grants /Transfers from the Government		
Grants from National Govt	7,492,850	6,264,425
Grants from National Govt-Government Scholarship	1,934,354	1,337,061
Total	9,427,204	9,101,486
Total		
Total	10,084,028	9,662,185

30) Events After The Reporting Period

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

31) Ultimate And Holding Entity

Gatanga Technical and Vocational College is under the State Department for Technical, Vocational Education and Training under the Ministry of Education. Its ultimate parent is the Government of Kenya.

Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Cash and Cash Equivalents The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalent figure of Kshs. 5,504,131. However, cash withdrawals of Kshs. 3,180,000, Kshs. 1,511,900 and Kshs. 995,000 reflected in the bank statement were not recorded in the cashbook, and the resulting expenditures from the cash withdrawn</p>	<p>The reported cash and cash equivalent of Kshs 5,504,131 is made up of Kshs 5,501,001 as cash in the bank and Kshs 3,130 as cash at hand as shown in note 15 on page 17. The management has captured all the transactions of Kshs. 3,180,000, Kshs. 1,511,900 and Kshs. 995,000 in the cashbook as withdrawn amount from bank and we have supported this by highlighting all the transaction's raised as they are well reflected in the cashbook. We have also attached certificate of board of survey and bank certificate to support this. The management noted that some of the entries raised in appendix I of the management letter were repeated entries like entries dated 25/01/2024,29/01/2024,5/02/2024,13/02/2024,29/02/2024 and 18/05/2024.The entry dated 21/06/2024 of Kshs 110,000 was payment to a supplier by the name "Alandar Trading</p>	Ongoing	One year

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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)
	were not provided for audit verification	<p>Company Ltd” and the cheque NO. was 001434 and was not a cash withdrawal.</p> <p>There were entries also some entries indicated as withdrawal but were purported not appearing in the bank statement, the correct statement is that the entries were in the bank statement and we have attached copies of bank statement showing those transactions actually they took place and they are appearing in the bank in the bank statement.</p> <p>The management has attached:</p> <p>i) Cashbook Extracts-Appendix IIAA and IIAB</p> <p>ii) Extract of bank statements supporting cash withdrawals - Appendix II B</p>		
2	<p>The statement of financial performance statement reflects Kshs. 20,858,625 in respect of use of goods and services. However, the explanatory Note 9 to the financial statements reflects Kshs. 21,016,120 resulting to an unexplained and</p>	<p>The management has amended the financial statement whereby the tallying error under use of goods and services was corrected and the amount is Kshs 21,016,125 which is shown under note 9 on page 15. This amount is reported under statement of financial performance statements as Kshs 21,016,125 on page 1 and therefore there is no variance.</p> <p>The management has attached:</p>	Ongoing	One year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>unreconciled variance of Kshs. 157,595.</p> <p>In the circumstance, the accuracy and completeness of the respective financial statement balances could not be confirmed</p>	<p>i)The amended financial statement –Appendix I</p> <p>ii)The corrected amount of use of goods and Services- Appendix I on page 1 and 15 as note 9</p>		
3	<p>Valuation of Property Plant and Equipment</p> <p>The statement of financial position and as disclosed in Note 19 to the financial statements reflects Kshs. 109,231,836 in respect of property, plant and equipment which includes Kshs. 44,354,545 for plant and equipment. However, the Management did not provide valuation reports, contract agreements or any other</p>	<p>The management has carried out valuation of the college assets during the month of July 2025. The issue of valuation of assets has been resolved.</p> <p>The matter which is pending is the ownership of the college land and the management is making follow-up on it.</p> <p>The management has attached:</p> <ul style="list-style-type: none"> i) The valuation report and certificate as at July 2025-Appendix III A ii) Correspondences on follow-up on land Ownership-Appendix III B 	Ongoing	One year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>documents to show the basis of the value of plant and equipment reported. In addition, the property, plant and equipment balance includes land valued at Kshs. 20,000,000 on which the College is built that has no ownership documents.</p> <p>In the circumstances, the accuracy, valuation and ownership of Kshs. 109,231,836 balance of property, plant and equipment could not be confirmed</p>			
4	<p>Budget Control and Performance Review of College's approved budget revealed a budgeted revenue of Kshs.</p>	<p>The management has noted the underperformance in budget as this has been occasioned by Government failure to fully disburse full capitation and scholarship for trainees who were in session during the financial year ended 30th June 2024.</p>	Ongoing	One year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>38,229,250 against actual revenue realized of Kshs. 30,979,741 representing 82% of budgeted revenue or a short fall of Kshs. 7,249,509 (18%) of the revenue.</p> <p>In the circumstances, the underfunding of the budget affected planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The underperformance was also compounded by not achieving the enrollment of 600 trainees as budgeted. This has been explained in the financial statement on page 6 under budget note 2 i.e. Appendix 1 page 6</p> <p>The management has put measures to ensure there is increase in students' enrollment whereby the college is involving the NGAO by holding barazas in order to reach out to potential students who are current not in colleges or universities within Gatanga constituency and the neighboring ones.</p> <p>The management has opened HELB desk in the college whereby trainees have been encouraged to apply for HELB and bursaries.</p> <p>To support this, the management has attached: i)Marketing program carried out with NGAO to increase enrollment-Appendix IV</p>		
5	.Lack of an Imprest Register	The management has taken this positively as facilitation was based on SRC rates where applicable and approved rates	Ongoing	One year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The financial statements reflects Kshs. 21,016,120 in respect of use of goods and services as disclosed in Note 9. Included in this figure is Kshs. 2,690,915 which was spent on travelling and accommodation without keeping an imprest register to track the issued and surrendered imprest contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that the imprest applicant should be recorded in the imprest register including the amount applied for.</p>	<p>where board had approved through minutes. The management has effected the use of imprest system starting 4th April 2025 going forward. Have attached a copies of imprest warrant dated 4th April 2025 going forward to show that the management has started implementing use of imprest warrants The management has: i) Attached copies of the imprest warrants effective 4th April -Appendix V</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, Management was in breach of the law			
6	<p>Direct Procurement of Goods and Services The statement of financial performance and as disclosed in Note 9 to the financial statement reflects Kshs. 21,016,120 in respect of use of goods and services. However, review of payments revealed that an expenditure amounting to Kshs. 1,024,045 was incurred through direct procurement from suppliers. However, no evidence was provided to indicate that the service was procured competitively contrary to the Public Procurement and Asset</p>	<p>The expenditure payments amounting to Kshs 1,024,045 were purchased from the suppliers who were prequalified during the financial year 2023-2024. These suppliers were:</p> <ul style="list-style-type: none"> i) Asmat Enterprises ii) Shred Designs Ltd iii) Inclusive Engineering Ltd. iv) Akalka Previ Enterprises v) Watnique General Supplies Ltd, vi) Jamwa ventures, vii) Bennis Company Ltd viii) Adrigo Agencies. <p>The management has attached: A. List of Suppliers for the financial year 2023/2024 and letter of awards to the above named Suppliers-Appendix VI</p>	Ongoing	One year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Disposal Act, 2015, Section 103(2) on guideline on how to qualify for direct procurement.</p> <p>In the circumstances, Management was in breach of the law</p>			

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Name PAUL GITHAIGA
Accounting Officer
GATANGA TVC
Date 28/11/2025

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Appendix II- Inter-Entity Confirmation Letter

STATE DEPARTMENT OF TECHNICAL AND VOCATIONAL EDUCATION TRAINING
 GATANGA TECHNICAL AND VOCATIONAL COLLEGE

Confirmation of amounts received by Gatanga Technical and Vocational College as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
14362	1/10/2024	1,721,425	0	1,721,425	Capitation
16569	14/2/2025	5,771,425	0	5,771,425	Capitation
Total		7,492,850	0	7,492,850	

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

Head of Accounts Department – State Department of Technical and Vocational Education Training
 Name ISAAC A. NTHIWA Sign [Signature] Date 28/11/2025

Head of Accounts Department – Gatanga TVC
 Name Sign Date.....