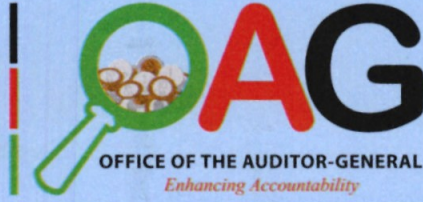


REPUBLIC OF KENYA



<b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>REPORT</b>	<b>DATE:</b> 08 APR 2026
	<b>DAY:</b> WEDNESDAY
<b>TABLED BY:</b>	HON. DIDO RACO, M.P.
<b>CLERK-AT-THE-TABLE:</b>	ON BEHALF OF LOM

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**THE AUDITOR-GENERAL**

**ON**

**KAREN TECHNICAL TRAINING  
INSTITUTE FOR THE DEAF**

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



**MINISTRY OF EDUCATION**  
**STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING**  
**KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF**

P.O. BOX 24785-00502 Nairobi, Kenya. Tel. 0722677859

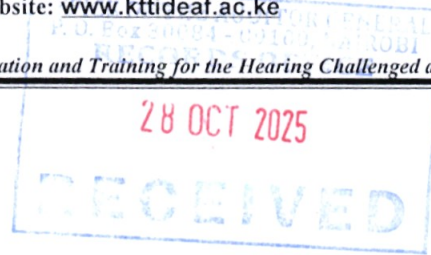
E-mail: [kttid2007@yahoo.com](mailto:kttid2007@yahoo.com)

Website: [www.kttideaf.ac.ke](http://www.kttideaf.ac.ke)



*VISION: To be a Centre of Excellence in Integrated Technical and Vocational Education and Training for the Hearing Challenged and the Hearing*

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**KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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

**A. Acronyms**

BES	Boarding Equipment & Stores
BOG	Board of Governors
CAPA	Commonwealth Association of Technical Universities and Polytechnics in Africa
EWC	Electricity, Water and Conservancy
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KATTI	Kenya Association of Technical Training Institutions
MOE	Ministry of Education
MOH	Ministry of Health
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PTA	Parents Teachers Association
SES	School Equipment & Stationaries
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training

**B. Definition of Key Terms**

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

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

**2. Key Institute Information and Management**

**(a) Background information**

Karen Technical Training Institute for the Deaf was founded in the Year 1990 with the mandate to offer Technical and Vocational Education and Training to Students with Special Needs in Kenya (the Deaf). Since 2015 the Institution operates under the State Department of Vocational and Technical Training. From inception the Institute had been under the State Department of Basic Education; Ministry of Education.

At Cabinet level Karen Technical Training Institute for the Deaf is represented by the Cabinet Secretary for Ministry of Education who is responsible for the general policy and strategic direction of the Institute. The Institute is domiciled in Kenya and is located along Karen road.

Karen Technical Training Institute for the Deaf has an Appointed Board of Governors whose main role includes; Determining the Organization's Vision, Mission, Purpose and Core Values. Setting and overseeing the overall Strategy and approve significant Policies of the Organization Ensuring that the Strategy is aligned with the purpose of the Organization and legitimate interests and expectations of her Stakeholders Monitoring the Organization's Performance and ensuring sustainability

**(b) Principal Activities**

The principal activity of the Institute is the provision of technical, vocational education and training to deaf students with special needs in Kenya.

**Vision Statement**

A Centre of Excellence in Integrated Technical and Vocational Education for the Hearing Challenged and the Hearing.

**Mission Statement**

To provide adequate and appropriate Technical and Vocational Training for Artisans, Craftsmen, Technicians and Technologists through practical training and work experience and transfer of technology with other TVET Institutions and key players in the Industry.

**Strategic Objectives**

1. Provide Quality Competence Based Education and Training
2. Enhance Financial Sustainability by Increasing Revenues and Managing Costs.
3. Enhance ICT in Training and Operations of Institute.
4. Promote Human Resources Capacity and Improve Corporate Image.
5. Promote Collaboration with other TVET Institutions and Key Players in the Industry.

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**(c) Key Management**

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

- Board of Governors (BOG)
- Accounting Officer/Principal and Secretary of the Board
- Management

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	<b>Tecla M. Chemobo</b>
2.	Deputy Principal Administration	<b>Zipporah M. Moseti</b>
3.	Deputy Principal Academics	<b>Japheth N. Onyimbo</b>
4.	Finance Officer	<b>Wilfred Kimathi</b>
5.	Registrar	<b>Joseph Wanjohi</b>
6.	Dean of Students	<b>Lorraine Koros</b>

**(e) Fiduciary Oversight Arrangements**

The Institute's key fiduciary oversight arrangements include:

- Audit Committee
- Planning, Strategy, Finance and Resource Mobilization Committee
- Academic and Students Affairs Committee

**(f) Institute Headquarters**

Karen Technical Training Institute for the Deaf  
P.O. Box 24785-0050  
Karen Road  
Nairobi, Kenya

**(g) Institute Contacts**

Telephone: (254) 0722-261453 (Principal's no.)  
E-mail: [kttid2007@yahoo.com](mailto:kttid2007@yahoo.com)  
Website: [www.kttideaf.ac.ke](http://www.kttideaf.ac.ke)

**(h) Institute Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000 - 00200  
Nairobi, Kenya

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

**Institute Bankers (continued)**

National Bank of Kenya  
Harambee Avenue  
P.O. Box 41862 - 00100  
Nairobi, Kenya

ABSA Bank of Kenya  
P.O. Box 24180 - 00502  
Nairobi, Kenya

**(i) Independent Auditors**


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


**(j) Principal Legal Adviser**

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


**Karen Technical Training Institute For The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2025**


**3.The Board of Governors**

<i>SN</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p><b>CPA Dr Joseph Obwogi</b> <b>PhD, CHRP</b></p> <p><b>BOG</b> <b>Chairperson</b> DOB: 12<sup>TH</sup> NOVEMBER 1975</p>	<p>CPA Dr Joseph Obwogi is the Chairman Board of Governors, Kenya Technical Training Institute for the Deaf. He is an acknowledged Researcher and Administrator with wide Academic and Administrative Experience. His area of Expertise is Finance, Human Capital Management, Public Policy, Governance and Strategic Management. Dr Obwogi has worked in the university for over twenty-four years, a journey that started in the year 1998 when he joined Jomo Kenyatta University of Agriculture and Technology (JKUAT) as an Accountant rising the hierarchy to Assistant Registrar, Deputy Registrar and University Registrar.</p> <p>Prior to his current appointment, Dr Obwogi served as board member of the JKUAT Staff Retirement Pension Scheme, serving in numerous committees, in addition to providing full time secretariat to the JKUAT Council.</p> <p>Dr Obwogi has a PhD in Human Resource Management, an MBA, and a Bachelor of Science. He is a Certified Public Accountant of Kenya (CPA-K) and a Certified Human Resource Professional of Kenya (CHRP-K). He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) as well as the Institute of Human Resource Professionals (IHRM).</p> <p>He was appointed as Chair of the Board of Governors of the Karen Technical Institute for the Deaf (KTTID) on 05<sup>th</sup> June 2024 for a period of three (3) years.</p>



2.	 <p><b>Tecla M. Chemobo</b> <b>Principal &amp; Secretary BOG</b> DOB: 8<sup>TH</sup> OCTOBER, 1965</p>	<p>She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 34 years of experience as a Teacher that elevated her to the current position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor's Degree in Education (Upper 2<sup>nd</sup> Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno - Siriba Diploma Teachers Training College. In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 35 years' experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {*CAPA} and {KATTI}.</p>
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**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

<p>3.</p>	 <p style="text-align: center;"> <b>Maryan Abdi</b>  <b>County Director TVET</b>  <b>Nairobi County</b>          DOB: 12<sup>TH</sup> DECEMBER, 1977       </p>	<p>A fully qualified, experienced and dynamic professional with 18 years teaching experience, 11 years' managerial responsibilities, 1 ½ years humanitarian and relief work experience. A Dynamic leader, resourceful, adaptable and able to work in all conditions. Strong conflict resolution skills and effective negotiator. A result-oriented, creative and reliable team player who strives for excellence in all tasks assigned. She holds a Masters of Education (Educational Planning &amp; Administration) from Catholic University of East Africa, a Diploma in Education Management from Kenya Education Management Institute, Bachelor of Education – Science from Kenyatta University, Diploma in Education (Science) from Kagumo Teachers College did her O' Level Education at Moi Forces Academy - Lanet. Other Professional Qualifications – August, 2003 Mathematics mentoring group held at Kagumo Teachers College. 17<sup>th</sup>-28<sup>th</sup> April 2006 Capacity building training program for NEPAD e-schools and ICT in Education-CEMASTE. 19<sup>th</sup> -24<sup>th</sup> July, 2009 Free Secondary Education and governance workshop for Principals of Public Secondary Schools at KESI. August 2018 Senior Management Course (SMC) Kenya School of Government. Key Skills; she has skills in Computer Applications, Planning/Organization, Communication, Administration and Interpersonal skills. Her work experience; from Feb 2008-Sept 2013 worked as a Principal, Kutulo Girls Secondary School. Sept 2013- Dec 2017 Principal Wajir Girls Secondary School. Jan 2018-Sept 2018 Nep Girls High School, Garissa. Oct 2018-Dec 2018 Senior Asst. Director of Education TVET. Jan 2019 to Date SADE- TVET County Director, Nairobi.</p>
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<p>4.</p>	 <p><b>Eng. Leonard Ithau</b>  <b>BOG Member</b>                  DOB: 23<sup>RD</sup> APRIL, 1961</p>	<p>Eng. Leonard Ithau holds a Bachelor of Science Degree in Civil Engineering from the University of Nairobi and a Master’s of Science Degree in Construction Management from the University of Birmingham, England.</p> <p>He has served in the public service at the Kenya Ports Authority (KPA) and as a Project Management Consultant to various private bodies in the Health, Port and Harbours/Rail/Roads, Telecommunications, Oil and Gas, Hospitality, Industrial/Commercial and Housing Sectors. He is currently the Executive Director of Quemec Limited, a private consultancy practice.</p> <p>He has over thirty-five (35) years’ experience in senior project advisory, design and construction management roles on major civil engineering, infrastructure and building works in Kenya and the broader South East Africa region.</p> <p>He is a registered Engineer with the Engineers Board of Kenya, a member of the Association for Project Management (UK) and the Institute of Directors (Kenya).</p> <p>Eng. Leonard Ithau is a member of the Board of Directors of Kenya Revenue Authority (KRA). He was first appointed on 30<sup>th</sup> May 2018 and subsequently re-appointed for a further term of three (3) years on 21<sup>st</sup> October 2019. He was appointed as a member of the Board of Governors of the Karen Technical Institute for the Deaf (KTTID) on 19<sup>th</sup> July 2021 for a period of three (3) years.</p>
<p>5.</p>		<p>A self-motivated individual, analytical, careful in planning and administration, Information Technology savvy and always willing to face challenges and progress using his skills and experience to enhance the organization’s corporate idInstitute by significantly contributing to its growth.</p>


**Karen Technical Training Institute For The Deaf  
Annual Report and Financial Statements for the Year ended 30th June 2025**



	 <p><b>Peter Arrile Matura</b> <b>BOG Member</b> DOB: 23<sup>RD</sup> AUGUST, 1974</p>	<p>He has a Bachelor’s Degree in Banking &amp; Finance and Honors Diploma in Network Centered Computing with fourteen (14) years’ experience in the fields of Human Resource (Administration, Performance Management and Training) and Information Technology (HRIS Support officer). A graduate of Commerce (Banking &amp; Finance, Cost Accounting), Dr. B.A Marathwada and currently pursuing a Master in Business Administration (Project Management), Kenyatta University. He also has vast knowledge in the IT and holds an MCSE Certificate (Microsoft Certified System Engineer. Currently working as, a Consultant with the Northern Rangeland Trust (NRTT) in training their various conservancy management boards and appointed as a Member of the Board of Governors of Karen Technical Training Institute for the Deaf in 19<sup>th</sup> July 2021.</p>
6.	 <p><b>Medrine Mueni Ndile</b> <b>BOG Member</b> DOB: 25<sup>TH</sup> MAY, 1989</p>	<p>Medrine Mueni Ndile is an Advocate of the High Court of Kenya. She has 11 years’ experience practicing Commercial, Conveyancing and Litigation Law. She holds a Master’s Degree in Public Policy and Management from Strathmore Business School, a Bachelor of Laws (LLB) Degree from University of Nairobi (UON) and a Post-Graduate Diploma in Law from the Kenya School of Law. She was admitted as an Advocate of the High Court of Kenya on 13th March 2015. She has extraordinary written and verbal communication skills. Known for an uncompromised work ethic, a compassionate and empowering personality. Skilled at developing strong relationships through collaboration and partnership to get things done. Her experience in providing overarching general legal assistance has enabled her to make a significant contribution to Rhombus Construction Institute Limited, Miller &amp; Institute advocates, Musyoka Wambua &amp; Katiku advocates, Rachuonyo and Rachuonyo Institute Advocates and Kitheka &amp; Co. Advocates. Her background includes providing board advisory and services, Institute advisory, preparing pleadings, motions, discoveries, and briefs, interpretation of laws as well as interacting with courts to facilitate streamlined legal operations. Her career tenure has encompassed a variety of areas of law, including Institute and corporate.</p>

		<p>She was appointed as a member of the Board of Governors at Karen Technical Training Institute for the Deaf in 19<sup>th</sup> July 2021.</p>
7.	 <p><b>Nelson Vunyinda</b>  <b>Ps Alternate</b>          DOB. 18th June 1981</p>	<p>Nelson Vunyinda is an Experienced Economist with Solid Economic Policy Analysis and Development background. Accomplished in conducting Economic Research, Analyzing Data and Presenting Findings to inform policy decisions. Knowledgeable in both Qualitative and Quantitative Analysis Techniques.</p> <p>Master of Arts, M.A in Economic Policy Management, 2016 Makerere University - Kampala, Uganda. Bachelor of Arts, B.A in Economics and Mathematics, 2007 Egerton University - Njoro, Kenya</p> <p>Senior Economist, 09/2010 - Current          The National Treasury and Planning - Nairobi, Kenya          Business and ICT Instructor, 04/2009 - 12/2009          Intel College - Nairobi, Kenya</p> <p>Personal Financial Advisor, 03/2008 - 01/2009          Old Mutual Life Assurance Company - Nairobi, Kenya</p>
8.	 <p><b>Protus Atsali Lumiti</b>  <b>BOG Member</b>          DOB: 24<sup>TH</sup> NOVEMBER, 1967</p>	<p>Dedicated and experienced in Leadership, Strategic Management and Organizational Development with over 15 years of experience. Protus is a Licensed Human Resource Management Professional (IHRM), with experience in General Management as well as Strategic Planning and Community Development.</p> <p>He currently serves as Deputy Executive Director, Children of God Relief Institute – Nyumbani; where he assists in planning, administration, project compliance and organizational management. He has a Master of Business Administration from Kenyatta University.</p> <p>He was conferred by HE President Uhuru Kenyatta for distinguished services rendered to the people of Kenya under the auspices of COGRI ins (2013). He was appointed as a member of the Board of Governors at Karen Technical Training Institute for the Deaf in 20<sup>th</sup> January 2023.</p>



**Karen Technical Training Institute For The Deaf  
Annual Report and Financial Statements for the Year ended 30th June 2025**

**4. Key Management Team**

SN	Member	Details
1.	 <p data-bbox="363 1473 746 1547"><b>TECLA M. CHEMOBO</b> Principal &amp; Secretary BOG</p>	<p data-bbox="805 589 1508 1032">She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 34 years of experience as a Teacher that elevated her to the current position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor’s Degree in Education (Upper 2<sup>nd</sup> Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno-Siriba Diploma Teachers Training College.</p> <p data-bbox="805 1070 1508 1877">In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 28 years’ experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {CAPA} and {KATTI}.</p>

<p>2.</p>	 <p><b>ZIPPORAH M. MOSETI</b>  <b>Deputy Principal – Administration</b></p>	<p>She is a Special Needs Education Trainer, with extensive experience in Training, and Leadership Skills and Inclusive Setting. Holding a Master of Science in Physical Education, a Bachelor of Education in Special Needs Education, a diploma in Special Needs Education, a Diploma in Career Guidance and Development, as well as P1 Teacher Certificate; she has built a strong foundation in both Specialized Teaching Methodologies and Professional Development. Her passion for Education, Sports, and Inclusivity has driven her to make significant contributions at Karen Technical Training Institute for The Deaf, Nairobi region Sports and Recreation, and at National Level. With a solid background in Special Needs Education, she has served as a Classroom Trainer mainly in Sign Language and Gerald Studies, equipping Learners with essential Communication Skills.</p> <p>Additionally, she plays a key role in Training and Mentoring new Trainers posted to the Institute, competency Skills in Sign language to enable them communicate with Trainee who are Hearing Impaired during Skill Training. Her expertise in Kenya Sign Language and American Sign Language also makes her a highly competent Interpreter providing vital support within the institute and at various forums outside the Institute. Her leadership Qualities, passion in Special Needs Education, Sign Language Training, and Sports Development Skills reflects her unwavering dedication to promoting inclusivity in Education and Professional Training.</p>
<p>3.</p>	 <p><b>JAPHETH N. ONYIMBO</b>  <b>Deputy Principal - Academics</b></p>	<p>He started teaching in 1995 at Karen Technical Training Institute for the Deaf. In 2000 he was transferred to Sunshine Secondary School to teach Drawing and Design and Mathematics and was the Head of Examinations for two years.</p> <p>In 2004 he was transferred back to Karen Technical Training Institute for the Deaf and in 2005 he was appointed to chair the Institution’s Tuition Time-table Committee and thereafter in 2008 appointed Deputy Registrar.</p> <p>In 2009 he was appointed Registrar and his Office is in-charge of Admission and Registration of Students in the Institution and Administration of both Internal</p>

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

		<p>and External National Examinations among other responsibilities. He has attended various Kenya Association of Technical Training Institute (KATTI) Trainings and Technical Vocational Education Training Workshops organized by the Ministry of Education State Department of Vocational and Technical Training.</p>
4.	 <p><b>JOSEPH WANJOHI</b> Registrar</p>	<p>He started teaching in 1992 at Mururia High School in Kiambu. In 1995 he was transferred to SOS Technical Training Institute to teach Mathematics and promoted to be the Institution Head Teacher.</p> <p>In the year 2006 he was transferred to Karen Technical Training Institute for the Deaf to Teach Mathematics and Carpentry and Joinery. In 2009 he was appointed as the Head of Department Carpentry and Joinery.</p> <p>In 2021 he was appointed Registrar and his office is in –charge of Admission and Administration of both Internal and External National Examinations.</p>
5.	 <p><b>LORRAINE KOROS</b> Dean of Students</p>	<p>She started teaching in 1998 in Machakos Technical Training Institute for The Blind after attaining a Diploma in Technical Education. In 2006, she was transferred to Karen Technical Training Institute for the Deaf to teach Entrepreneurship Education and Business Studies.</p> <p>In 2008 she was appointed to the Discipline Committee for five years. While working she managed to attain a Degree in Business Management from Moi University in 2009 and a Master in Business Administration from Jomo Kenyatta University of Agriculture in 2012.</p> <p>In 2021 she was appointed Dean of Students to Date. She is also in charge of one Target in the Performance Contract namely Business Process Re-Engineering.</p>

6.



**WILFRED KIMATHI**  
**Finance Officer**

He is a Resilience Character holds a Bachelor of Business Administration (Accounting and Finance option) from Kenya Methodist University (Kenya), a Diploma in Business Management, University of Nairobi (DBM). Certified Public Accountant (CPA II) KSNEB studied at Meru Technical Training Institute know Meru National Polytechnic, a Certificate of Accounts Clerk National Certificate (ACNC) (I & II) (KASNEB). Secondary Education, Gikumene Secondary School Meru, Primary Education, Michogomone Primary School Meru.

He is currently the Finance Officer Karen Technical Training Institute for the Deaf. He has attended various capacity building workshop organized Nairobi County School /Tertiary Institution Audit (Nyayo House Educations) attended Training Workshops Organized by TVET the State Department of Vocational and Technical Training Institutions, attended Trainings by National Treasury on Public Sector Accounting Standards Board (PSASB) Training accordance with the Basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

Sits in various Board Committee Treasurer Macho SACCO Ltd. He is a member Procurement Committee, Treasurer Ngong Methodist Church and Secretary Meban Self Help Group. He has 26 years working experience on the Finance field to date.

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**5. Chairman's Statement**

**Introduction**

It is my utmost pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2025.

**Financial Performance**

In the year under review, the Institution reported a total income of **Kshs. 147,005,531** compared to **Kshs. 162,007,741** for the FY 2023/2024 financial year. The decrease in income during the financial year was mainly due to decrease in Capitation Grants from the National Government.

**The Board of Governors**

The Board is committed to ensure prosperity of the Institution by collectively directing its affairs whilst meeting the diverse interests of its stakeholders. The Board charter guides the operation of the Board while defining the functions and responsibilities of the Board of Governors and that of Management. The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the Institution.

**Achievements and Challenges**

Over the last 5 years to date there has been gradual increase in enrolment of students from **910** in **2021** to **1862** in **June 2025**. The Institute has also had notable improvement in general service delivery and in corporate social image. During the **FY 2024/2025** budgetary allocations in Capitation grants decreased to **Kshs. 26,264,096** from **Kshs. 44,017,500** in FY 2023/2024. The decreased budgetary allocation constrained the financing of the programs and activities of the Institution.

**Appreciation**

On behalf of the Board of Governors, I wish to thank all the Stakeholders for the confidence placed on the Board during the entire period and look forward to serving even better. In a special way, I thank the Ministry of Education, State Department of Vocational and Technical Training that have stood with us during the entire financial year. Your continued support is highly appreciated. Further, I thank Members of Management, Staff and Students for their dedication and commitment towards the growth of the Institution.

*f. eye* - MEDRINE MUENI, BOG MEMBER KAREN TTI FOR THE DEAF & CHAIR OF  
THE AUDIT COMMITTEE OF THE BOARD - 27/10/2025  
CPA Dr Joseph Obwogi PhD, CHRP  
Chairperson of the Board

## **6. Report of the Senior Principal**

### **Introduction and Background**

It is my great pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2025. Karen Technical Training Institute for the Deaf is a Public Tertiary Institution under the State Department of Vocational and Technical Training that started in 1990 to offer Technical Training to the Deaf Youth in Kenya. The Institute trains students mainly at the level of Artisan, Craft and in Diploma courses based on the minimal number of Deaf Youth who successfully complete the Kenya Certificate of Primary Education (KCPE) and the very few who even proceed to the Kenya Certificate of Secondary Education (KCSE) Level. Effective January 2015, the Institute moved from the Department of Basic Education to the State Department of Vocational and Technical Training, Directorate of TVET and assumed new status with a higher profile.

### **Academics**

The Institution has continued to provide quality Technical Vocational and Educational Training under the newly approved Competence Based Education and Training (CBET) Curriculum.

### **Overview of the Financial Performance**

In the year under review, the Institution reported a total income of **Kshs. 147,005,531** compared to **Kshs. 162,007,741** for the FY 2023/2024 financial year. This was mainly as result of decreased budgetary allocations in Capitation grants to **Kshs. 26,264,096** from **Kshs. 44,017,500** in FY 2023/2024. The decreased budgetary allocation constrained the financing of the programs and activities of the Institution. Revenue from Tuition and Other Student fees also decreased by 11% in FY 2024/2025 compared to **Kshs. 54,276,851** in the FY 2023/2024 **Kshs. 60,754,317**.

### **Compliance with Statutory Guidelines**

In the year under review, Karen Technical Training Institute for the Deaf diligently fulfilled its entire statutory obligation and guidelines set by government agencies and commissions. The Institution signed Performance Contracting with the Ministry of Education and the same was cascaded to relevant officers and Staff of the Institution with continuous monitoring and evaluation.

### **Challenges**

Over the last 5 years, there has been increased enrolment of students from **910** in **2021** to **1862** in **2025**. However, the increase in the number of students does not commensurate with Government funding. This poses a great challenge to finance the growth of the Institution hence the need for increased budgetary allocation to the Institution.

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**Appreciation**

I note with appreciation that the Government of Kenya through the Ministry of Education, our collaborators, and other institutions that have rendered their support during the entire financial year under review. Further, I would like to appreciate the support accorded to me by Staff and Students in ensuring smooth running of the Karen Technical Training Institute for the Deaf. The Institution acknowledges the guidance of the Board of Governors in ensuring the Management is kept on the move towards attainment of the set targets.

  
**Tecla M. Chemobo**

**Principal & Secretary for the Board**



**7. Statement of Performance against Predetermined Objectives**

Karen Technical Training Institute for the Deaf has Five (5) Pillars and objectives within the current Strategic plan for the year 2025 to 2030. These strategic objectives are as follows:

- (i) Political
- (ii) Economic
- (iii) Social
- (iv) Technological
- (v) Environmental

Karen Technical Training Institute for the Deaf develops its Annual Work plans based on Five (5) pillars. Assessment of the Board’s performance against its Annual Work plan is done on quarterly basis. The Karen Technical Training Institute for the Deaf achieved its Performance Targets set for the F/Y 2024/2025 period for its five (5) pillars as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Political	<ul style="list-style-type: none"> <li>• Provide market driven and relevant training</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant training material available</li> <li>• Number of workshops with modern equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Provide modern equipment in the workshops</li> <li>• Provide timely and relevant teaching materials</li> </ul>	<ul style="list-style-type: none"> <li>• Clothing Technology and Electrical Departments new Laboratories and Equipment</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Enhance financial stability</li> </ul>	<ul style="list-style-type: none"> <li>• Timely annual budgets and audits</li> <li>• Number of trainees accessing HELB and Government grants</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure timely preparation of annual budgets and audits</li> <li>• Seek sponsorship for Trainees from sponsors such as HELB and Government Subsidies/grants</li> </ul>	<ul style="list-style-type: none"> <li>• Budget prepared and submitted within the prescribed period</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• Improve access to and use of ICT in education and training</li> </ul>	<ul style="list-style-type: none"> <li>• Installed WIFI in the Institute</li> <li>• Introduce interactive screens</li> </ul>	<ul style="list-style-type: none"> <li>• Install WIFI in the Institute</li> <li>• Number of interactive screens</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of internet, smartboard and overhead projectors in the Institute</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Improve corporate image</li> </ul>	<ul style="list-style-type: none"> <li>• Semester magazine developed</li> <li>• Active presence in different forums</li> </ul>	<ul style="list-style-type: none"> <li>• Establish semester magazine</li> <li>• Use forums such social media and KATTI to market the institute</li> </ul>	<ul style="list-style-type: none"> <li>• Regular updating of courses offered through the institutes website</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Improve physical facilities for People with Disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Ramps at various doors for ease access</li> </ul>	<ul style="list-style-type: none"> <li>• Construct ramps at various doors for ease access of the physically challenged Persona</li> </ul>	<ul style="list-style-type: none"> <li>• Ramps constructed at the doors of various rooms in the Institute</li> </ul>

## **8. Corporate Governance Statement**

The Board of Governors is responsible for providing overall leadership through oversight, review and guidance in addition to the setting the strategic and policy direction of the institution.

During the year under review, the Board of Governors comprised of 8 Members, all appointed by the Cabinet Secretary in the Ministry of Education and the Principal who is secretary to the Board of Governors. The Board is responsible for ensuring that Institution complies with the law and best practices in corporate governance.

### **Functions of the Board of Governors**

The functions and powers of the Board Governors are as stipulated as indicated below:

- Determining the Institution's vision, mission, purpose and core values.
- Setting and overseeing the overall strategy.
- Approve significant policies of the institution.
- Ensuring that the Institution's strategy is aligned with its purpose, legitimate interests and expectations of the stakeholders.
- Monitoring the Institution's performance and ensuring sustainability.

### **Board Meetings Attendance and Members' Participation**

The Board holds regular meetings to transact planned business of the Institution. Special meetings may also be called when there is significant business to discuss. During the year under review, the Board held mandatory meetings attended by all members. Board members receive adequate notices and detailed issues for discussion in order to for them to prepare for the meetings in advance.

### **Board Remuneration**

Members of the Board are paid taxable sitting allowances for meetings attended as well as travel allowances while carrying out duties on behalf of the Institution as per the guidelines provided by Salaries and Remuneration Commission and approval by the Cabinet Secretary for Education.

### **Board committees**

During the 2024/2025 financial year, the following were the committees in place:

- Audit Committee comprised of 3 members of the Board and 2 members of key management.
- Planning, Strategy, Finance and Resource Mobilization Committee comprised of 5 members of the Board and 2 members of key management.
- Academic and Students Affairs Committee comprised of 5 members of the Board and 2 members of key management.

**Conflict of Interest**

The Institution has a conflict of interest policy which applies to all members of the Board, key management and other employees as per the requirements of section 29 of schedule 2 of the Technical and Vocational Education, 2013. They are obligated to disclose and remove themselves from discussion or decision-making authority in matters which they may have material personal interest that could result in impairing their objectivity or interfere with the execution of their duties.

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**9. Management Discussion and Analysis**

**1. Financial and Operational Performance**

**Income**

The main source of income for the Institution is grants from the Government of Kenya through the Exchequer. Internally, the Institution generates revenue in the form of tuition fees and other income from rental of facilities and equipment. During the financial year **2024/2025** the Institution's approved budget was **Kshs. 217,730,000 (2023/2024: Kshs. 217,730,000)**.

The below is the breakdown of the income for the year:

**Recurrent Grant** – The Institution was initially allocated in the approved budget for the financial year **2024/2025 Kshs. 56,000,000 (2023/2024: Kshs. 55,645,000)** against actual receipt of **Kshs. 65,464,466 (2023/2024: Kshs. 56,000,000)**.

**Capitation Grant** - The Institution received **Kshs. 26,264,096 (2023/2024: 44,017,500)** as Capitation Grants from the Ministry of Education, State Department of Technical & Vocational Training.

**Development Grant** – In the approved Budget, the Institution allocated **Kshs. 13,000,000 (2023/2024: Kshs. 13,000,000)**. There was no development grant utilised during the year.

**Tuition Fees** – Budgeted amount of **Kshs. 92,487,000 (2023/2024: Kshs. 92,487,000)** against actual fees collected of **Kshs. 54,276,851 (2023/2024: Kshs. 60,754,317)** during the year.

**Other Income** – This comprises Rental of facilities and Equipment and other miscellaneous income budgeted at **Kshs. 1,598,000 (2023/2024: Kshs. 1,598,000)** against actual income of **Kshs. 1,000,118 (2023/2024: Kshs. 1,235,924)**.

**Expenditure**

Actual total expenditure for the year was **Kshs. 137,324,671 (2023/2024: Kshs. 157,714,339)**. Major expenditure related to Boarding Equipment and Stores (BES) - **Kshs. 34,881,839 (2023/2024: Kshs. 46,724,135)** and School Equipment Store (SES) **Kshs. 29,342,150 (2023/2024: Kshs. 24,802,917)**. Other major expenditure related to Salaries and Wages during the year **Kshs. 11,763,511 (2023/2024: Kshs. 11,271,115)** and Depreciation expense **Kshs. 15,723,434 (2023/2024: Kshs. 17,538,431)**.

**2. Key projects or investment decision implemented or ongoing**

During the financial year under review the construction of a Hospitality Block Type I undertaken by Government of Kenya with the support of Africa Development Bank (AfDB). Expected completion date of the project is December 2025.

**3. Compliance with Statutory Requirements**

Karen Technical Training Institute for the Deaf as a public Institute has a duty to ensure that all the relevant laws and regulations are adhered to and complied with. In addition, the Institution does acknowledge its obligation to have all statutory dues such PAYE, SHIF, NSSF, withholding tax and NITA levies processed and remitted before the set timelines. There are no non-compliance issues that may expose the institution to potential contingent liabilities neither are there ongoing or potential court cases and defaults that could expose the institution to adverse liability.

**4. Major Risks facing the Organisation**

The institution's activities expose it to a variety of strategic, operational, liquidity and financial risks:

- i. **Strategy Risk** – The risk associated with an institution's inability to formulate and/or execute a successful strategy. The risk has been mitigated by having a Board in place whose members are professional and well versed with the requirements of running a special needs tertiary institution. The education programmes at Karen Technical Training Institute for the Deaf are carefully selected and formulated to ensure its mandate is achieved in a sustainable manner.
- ii. **Operational Risk** - The risk of failure or loss resulting from inadequate or failed processes, people, or systems failure. This risk has been managed through defining and embedding internal controls in all the processes. These internal controls include but not limited to obtaining authorizations for all transactions and ensuring compliance with laws and regulations.
- iii. **Liquidity Risk** – The risk that an Institute will be unable to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated expenditures through a consultative budgeting process with the parent ministry.

**5. Material arrears in Statutory and other Financial Obligations**

No Institute did not have any material arrears in Statutory and other financial obligations.

**Karen Technical Training Institute For The Deaf**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**6. Financial Probity and serious Governance issues**

There has been no financial improbity reported by the external auditors or other oversight bodies. The institution has a duly constituted Board of Governors that is supported by Board Committees.

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

Karen Technical Training Institute for the Deaf exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the Citizen first, improving physical facilities for People with Disabilities and improving operational excellence.

Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

### **Sustainability strategy and profile**

The Board and Management of Karen Technical Training Institute for the Deaf is committed to ensuring prosperity of the Institution by collectively directing its affairs whilst meeting the diverse interests of its stakeholders.

The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the Institution.

The Institution develops its Annual Work Plan based on the 5 strategic pillars and derives its objectives, activities and performance indicators from the same. Assessment of the Board and Key Management is based on the Annual Work Plan.

### **Environmental performance**

Karen Technical Training Institute for the Deaf is committed in ensuring that waste disposal is done appropriately by use of incinerator to burn all wastes in order to maintain high level of cleanliness.

### **Employee welfare**

To enhance performance, Institute recruit's employees under performance contracting in order to meet the ever-increasing demands of our students. The Institute considers staff training as a critical component towards improving work performance.

The Institute is an equal opportunity employer the hiring process is guided by factors such as gender ratio and they consider Persons With Disabilities as priority.

The Institution has a conflict of interest policy which applies to all members of the Board, key management and other employees as per the requirements of section 29 of schedule 2 of the Technical and Vocational Education, 2013.

The Institute ensures compliance with Occupational Safety and Health Act of 2007, (OSHA).

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

During the year under review, Karen Technical Training Institute for the Deaf did not carry out any Corporate Social Responsibility activities.

**Karen Technical Training Institute For The Deaf  
Annual Report and Financial Statements for the Year ended 30th June 2025**

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

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

**Principal activities**

The principal activities of the Institute are the provision of technical, vocational education and training to deaf students with special needs in Kenya.

**Results**

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

**Board of Governors**

The members of the Board who served during the year are shown on page vi to xi.

**Auditors**

The Auditor General is responsible for the statutory audit of the Karen Technical Training Institute for The Deaf in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

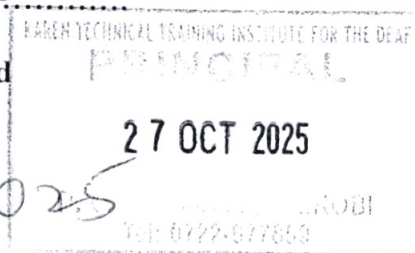
By Order of the Board

*T. K. Mwangi*

**Secretary to the Board  
Nairobi**

**Date:**

*27/10/2025*



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

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

The Board members are responsible for the preparation and presentation of Karen Technical Training Institute for the Deaf financial statements, which give a true and fair view of the state of affairs of the *Institute* for and as at the end of the financial year 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 Institute, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Institute*, (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 *Institute's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that the *Institute's* financial statements give a true and fair view of the state of *Institute's* transactions during the financial year ended June 30, 2025, and of the *Institute's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *Institute*, which have been relied upon in the preparation of the *Institute's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the *Institute* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The *Institute's* financial statements were approved by the Board on 27<sup>th</sup> OCTOBER 2025 and signed on its behalf by:

FOR *J. Uje* - MEDRINE MUENI, MEMBER BOG  
KITID & CHAIR, AUDIT COMMITTEE  
OF THE BOARD  
Name  
Chairperson of the Board

*T. Chemobo*  
Name *TECLA M. CHEMOSO*  
Accounting Officer/Principal  
PRINCIPAL  
27 OCT 2025  
P. U. ... MOBI  
Tel: 0722-577859

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

## REPORT OF THE AUDITOR-GENERAL ON KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Karen Technical Training Institute for the Deaf set out on pages 1 to 31 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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*Report of the Auditor-General on Karen Technical Training Institute for the Deaf for the year ended 30 June, 2025*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Karen Technical Training Institute for the Deaf 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 Training Act, 2013 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unsupported Revenue from Exchange Transactions**

The statement of financial performance reflects revenue from rendering of service-fees from students of Kshs.54,276,851 as disclosed in Note 7 to the financial statements. Review of documents and information provided for audit revealed that the fees from students relates to four (4) terms and analysis of fees payable provided for audit for the four (4) terms totals Kshs.56,276,425 as summarized below which is more than the amount reflected in the financial statements by Kshs.1,999,574. No explanation was provided for the variance.

<b>Term</b>	<b>Fees Payable Amount (Kshs.)</b>
May-Aug 2024	12,473,781
Sept-Nov 2024	14,278,718
Jan-April 2025	15,258,636
May-Aug 2025	14,265,290
<b>Total</b>	<b>56,276,425</b>

Further, it was not possible to confirm amounts invoiced to students and if the tuition fee received was as per approved fee structure as the listing on student invoices and receipts issued to students were not provided for audit review.

In the circumstances, the accuracy and completeness of revenue from rendering of services-fees from students amount of Kshs.54,276,851 could not be confirmed

### **2. Misclassification of Local Transport and Travels Account**

The statement of financial performance reflects use of goods and services expenditure of Kshs.108,160,901 which includes local transport and travels expenses totalling Kshs.6,274,150 as disclosed in Note 9 of the financial statements. However, analysis of the payment schedules presented for audit review and payment voucher No. 186 and No.179 of Kshs.155,740 and Kshs.46,540 respectively revealed that expenditure totalling

Kshs.202,280 under repairs and maintenance were misclassified under the local transport and travels account therefore overstating the expenditure by Kshs.202,280.

In the circumstances, the accuracy and completeness of local transport and travel expenditure totalling Kshs.6,274,150 could not be confirmed.

### **3. Unsupported Inventories**

The statement of financial position reflects a balance of Kshs.4,101,993 in respect to inventories as disclosed in Note 17 to the financial statements. Review of the inventory records revealed the following anomalies;

- i. The stock sheet provided for audit only contained the quantities of the items but did not include the cost per item or total inventory values hence it was not possible to verify the accuracy of inventory valuation reported.
- ii. The Institute did not have an Inventory Policy to guide on inventory management, stores and assets purchased.
- iii. Management did not conduct quarterly stock take and reconcile the physical balance against the stock cards.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.4,101,993 could not be confirmed.

### **4. Unsupported Repairs and Maintenance**

The statement of financial performance reflects repairs and maintenance amount of Kshs.810,325 as disclosed in Note 13 to the financial statements. However, payments amounting to Kshs.657,815 revealed that the payments were not supported by post evaluation report by the inspection and acceptance committee.

In the circumstances, the Institution risks loss of public funds through lack of fully supported expenditure.

### **5. Lack of Clear Cut-Off for June Salaries**

The statement of financial performance and Note 10 to the financial statements reflects employee costs of Kshs.11,763,511. However, the salaries for the month of June, 2024 amounting to Kshs.212,028 were recognized in the ledgers for the year 2024/2025 instead of financial year 2023/2024 having been made in July, 2024. Further scrutiny revealed that salaries for June, 2025 were not recorded in the ledger for the year 2024/2025, an indication that the ledger for the year under audit contained the salary payments for June of the previous year due to the cutoff challenges.

In the circumstances, the financial statements do not comply with IPSAS accrual requirements and the accuracy of the employee costs totalling Kshs.11,763,511 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Karen Technical Training Institute for the Deaf 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 income budget and actual amount on comparable basis of Kshs.217,730,000 and Kshs.147,005,531 respectively resulting to under-funding of Kshs.70,724,469 or 32% of the budget. Similarly, the Institute spent an amount of Kshs.121,656,237 against actual revenue of Kshs.147,005,531 resulting to an under-utilization of Kshs.25,349,294 or 17% of the actual revenue.

The under-funding and under-utilization affected the planned activities of the Institute 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Prior Year Audit Matters**

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

	<b>Financial Year</b>	<b>Audit Issue</b>
1.	2023/2024	Property, Plant and Equipment – Unvalued and Unsecured
2.	2023/2024	Non-Compliance with One Third Basic Salary Rule
3.	2023/2024	Lack of Data Protection Officer (DPO) and Certification on Data Processing and Control
4.	2023/2024	Weaknesses in the Internal Control Systems
5.	2023/2024	Lack of ICT Steering Committee and IT Strategic Committee
6.	2023/2024	Lack of Board and Committee Charter
7.	2023/2024	Poor Inventory Management
8.	2023/2024	Weak Internal Controls Systems in the Management of Motor Vehicle and Local Transport Expenditure

## **Other Information**

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

In connection with my audit of the Karen Technical Institute for the Deaf 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**

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. Validation of Financial Statements Without ICPAK Membership**

Audit review established that the Finance Officer who signed the financial statements did not hold a valid ICPAK membership number contrary to Section 19 of the Accountants Act, 2008 which requires that only registered and practicing members of ICPAK are authorized to sign financial statements.

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

#### **2. Non-Adherence to Appointment Requirements for Board of Governors**

Review of Board Members' files provided for audit revealed that there was no Gazette Notice of their appointments. Management did not provide reasons why the information was missing.

In the circumstances, it was not possible to confirm that the Board members were lawfully appointed.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of the Fees Policy**

Audit review revealed that the Institute did not have a documented Fees Policy in place. As a result, there is no formal framework outlining the procedures, responsibilities and controls governing the determination, approval, billing, collection, recording and review of student fees and related charges.

In the circumstances, the Institution may be faced with inability to sustain operations due to unstructured fee policy.

#### **2. Weaknesses in Maintenance of Accounting Records**

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.76,755,148. However, the Institute maintained the cash books on excel work book which is prone to alterations and manipulation other than acquiring automated system to mitigate the risks of irregularities and errors including fraud by enhancing internal controls.

In the circumstances, the effectiveness of internal control on record management could not be confirmed.

#### **3. Lack of Staff Establishment**

Review of records provided for audit revealed that the Institute did not have an approved staff establishment detailing the number of positions, job titles, reporting structures and approved salary scales, raising the question of whether the staff were recruited and engaged without a clear legal framework.

In the circumstances, the Institution may be faced with the risk of irregular recruitment.

#### **4. Lack of Board of Governors Qualifications**

Review of documents provided for audit revealed that the Board members did not have any certificates or testimonials that could corroborate the education and qualification listed in their respective curriculum vitae. Management did not provide reasons why the information was missing.

In the circumstances, those charged with governance may not possess the necessary skills and experience to carry out their oversight responsibilities and the Board may lack the combination of skills and competencies required for the achievement of the Institutions long-term goals.

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**10 December, 2025**

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

	Notes	2025 Kshs	2024 Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	91,728,562	100,017,500
		<b>91,728,562</b>	<b>100,017,500</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	54,276,851	60,754,317
Other income	8	1,000,118	1,235,924
<b>Revenue from Exchange transactions</b>		<b>55,276,969</b>	<b>61,990,241</b>
<b>Total Revenue</b>		<b>147,005,531</b>	<b>162,007,741</b>
<b>Expenses</b>			
Use of goods and services	9	108,160,901	124,524,976
Employee costs	10	11,763,511	11,271,115
Board Expenses	11	866,500	1,246,353
Depreciation and amortization expense	12	15,723,434	17,538,431
Repairs and maintenance	13	810,325	3,133,464
<b>Total Expenses</b>		<b>137,324,671</b>	<b>157,714,339</b>
<b>Other (Losses)/gains</b>			
(Loss)/gain on fair value of investments	14	(501,550)	415,800
<b>Total Other (Losses)/gains</b>		<b>(501,550)</b>	<b>415,800</b>
<b>Net surplus for the year</b>		<b>9,179,310</b>	<b>4,709,202</b>

(The notes set out on pages 7 to 29 form an integral part of the Annual Financial Statements).

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

*for* MEDRINE MUENI  
 .....  
 FOR Chairman of Council/Board  
 BOG MEMBER, KAREN TTI FOR  
 THE DEAF & CHAIR AUDIT COMMITTEE  
 Date OF THE BOARD  
 27/10/2025  
 Note:

*Trohembo*  
 .....  
 Principal  
 TECLA  
 M.  
 CHEMBO  
 Date

*Winfred Kimani*  
 .....  
 Finance Officer  
 WILFRED KIMANI  
 ICPAK No. NAK/48472  
 Date 27/10/2025  
 ASS-ccifar

\*The Finance Officer is still pursuing his CPA qualification and currently has CPA II



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

Description	Accumulated Fund	Capital Fund	Total
At July 1, 2023	4,913,938	3,526,748,486	3,531,662,424
Surplus for the year	4,709,202	-	4,709,202
At June 30, 2024	9,623,140	3,526,748,486	3,536,371,626
At July 1, 2024	9,623,140	3,526,748,486	3,536,371,626
Surplus for the year	9,179,310	-	9,179,310
At June 30, 2025	18,802,450	3,526,748,486	3,545,550,936

Note:

1. **Capital Fund** relate to the value for Biological Assets (**Kshs. 1,330,200**) and Property, Plant and Equipment (**Kshs. 3,525,418,286**) respectively on notes 18 and 19 adjusted in the financial statements for the year ended 30 June 2021 as per IPSAS 33 requirements.
2. **Accumulated Fund** relates to carried forward net surpluses/deficits from prior periods. As at 30 June 2025, total accumulated fund was **Kshs. 18,802,450**.

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

Description	Note	2025	2024
		Kshs	Kshs
<b>Cash flows from Operating Activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	91,728,562	100,017,500
Rendering of services- fees from students	7	54,916,772	60,754,317
Other income	8	1,000,118	1,235,924
<b>Total Receipts</b>		<b>147,645,452</b>	<b>162,007,741</b>
<b>Payments</b>			
Use of goods and services	9	109,198,974	124,876,377
Employee costs	10	11,763,511	11,271,115
Board Expenses	11	866,500	1,246,353
Repairs and maintenance	13	810,325	3,133,464
<b>Total Payments</b>		<b>122,639,310</b>	<b>140,527,309</b>
<b>Net Cash Flows from Operating Activities</b>	21	<b>25,006,142</b>	<b>21,480,432</b>
<b>Cash flows from Investing Activities</b>			
Purchase of property, plant, equipment and intangible assets	18	(55,000)	(142,500)
<b>Net cash flows used in Investing Activities</b>		<b>(55,000)</b>	<b>(142,500)</b>
<b>Net Increase in Cash and Cash equivalents</b>		<b>24,951,142</b>	<b>21,337,931</b>
Cash and Cash equivalents at 1 JULY	15	<b>51,804,008</b>	<b>30,466,076</b>
<b>Cash and Cash equivalents at 30 JUNE 2025</b>	15	<b>76,755,148</b>	<b>51,804,008</b>

**Note:**

The above Statement of Cash Flows has been prepared using the Direct Method as prescribed by PSASB however Use of Goods and Services **Kshs. 109,198,974 (2024: 124,876,377)** do not agree with the amounts on Notes 9 respectively due to adjustments done for non-cash items and other items as the Statement of Financial Performance is prepared on Accrual basis while the Statement of Cash Flows is on Cash Basis. Please refer to Note 21 on page 26 of the financial statements for the reconciliation of net cash-flows from operating activities.

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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
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	123,645,000	-	123,645,000	91,728,562	31,916,438	26%
Rendering of services- fees from students	92,487,000	-	92,487,000	54,276,851	38,210,149	41%
Other income*	1,598,000	-	1,598,000	1,000,118	597,882	37%
<b>Total Income</b>	<b>217,730,000</b>	<b>-</b>	<b>217,730,000</b>	<b>147,005,531</b>	<b>70,724,469</b>	<b>32%</b>
<b>Expenses</b>						
Use of goods and services	179,230,000	-	179,230,000	108,160,901	67,069,099	38%
Employee costs	13,000,000	-	13,000,000	11,763,511	1,236,489	10%
Board Expenses	2,500,000	-	2,500,000	866,500	1,633,500	65%
Repairs and maintenance	13,000,000	-	13,000,000	810,325	11,189,675	93%
Capital Expenditure	10,000,000	-	10,000,000	55,000	14,945,000	100%
<b>Total Expenditure</b>	<b>217,730,000</b>	<b>-</b>	<b>217,730,000</b>	<b>121,656,237</b>	<b>96,073,763</b>	<b>44%</b>
	-		-			
<b>Surplus for the Year</b>				<b>25,349,294</b>		

**Budget Notes:**

1. There were no changes between original and final budget during the year.
2. Under-absorption of budgeted incomes and expenditures was due to late disbursements of the Government funding during the year.
3. While the Institute's financial statements show a surplus of **KShs. 25,349,294** there were delays in disbursements by GOK causing overlap in expenditure during the year.
4. Explanation of material variances – most budget items had variances above 10% due to delay in receipt of recurrent disbursements by GOK causing an overlap in expenditure.

5. Surplus for the year on the Statement of Comparison of Budget & Actual amounts does not agree with the amount shown on the Statement of the Financial Performances due to the following reconciling items:

<b>Surplus for the period</b>	<b>Amount</b>
As per Budget	25,349,294
As Statement of Financial Performance	9,179,310
<b>Variance</b>	<b>16,169,984</b>
<b>Reconciling items:</b>	
Depreciation expense	15,723,434
Capital expenditure	(55,000)
Fair value loss on biological assets	501,550
<b>Total</b>	<b>16,169,984</b>

**19. Notes to the Financial Statements**

**1. General Information**

Karen Technical Training Institute for the Deaf is established by and derives its authority and accountability from the TVET Act of 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is the provision of Technical, Vocational Education and Training to Students with Special Needs (Deaf) in Kenya.

**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 Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act of 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> 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 Institute. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

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	<i>There is no expected impact of the standard to the Institute in these financial statements.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>There is no expected impact of the standard to the Institute in these financial statements.</i>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>There is no expected impact of the standard to the Institute in these financial statements.</i>
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement bases called the current operational value. <i>There is no expected impact of the standard to the Institute in these financial statements.</i>
IPSAS 47: Revenue	<b>Applicable 1<sup>st</sup> January 2026</b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles

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	<p>that an Institute shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>There is no expected impact of the standard to the Institute in these financial statements.</i></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>There is no expected impact of the standard to the Institute in these financial statements.</i></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>There is no expected impact of the standard to the Institute in these financial statements.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the Institute's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><i>There is no expected impact of the standard to the Institute in these financial statements.</i></p>

*iii. Early adoption of standards*

The Institute did not early – adopt any new or amended standards in the financial year.

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**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 Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

Recurrent and Capitation grants are recognized in the Statement of Financial Performance. Development/Capital grants are recognized in the Statement of Financial Position and realised in the Statement of Comprehensive Income over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Institute 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.

The Institute recognises Student Fees and Charges in the year in which the service is provided to the student. Students' fees and charges received that relate to the service rendered in the future period are treated as income in advance.

**Other Income**

Other income represents miscellaneous receipts not derived from the core business and it is recognised when earned.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **30<sup>th</sup> September 2024**. There were no subsequent revisions or additional appropriations made to the approved budget.

The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast

from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the Statement of Comparison of Budget and Actual amounts and the actuals as per the Statement of Financial Performance has been presented on page 5 under section 18 of these financial statements.

**c) Taxes**

***Current income tax***

The Institute is exempt from paying income tax as per Section 219 (3) of the PFM Act regulations 2015, the Cabinet Secretary National Treasury has exempted TVETs from payment of income tax of which the Institute is in that category.

***Value Added Tax***

Expenses and assets are recognized including the amount of Value Added Tax.

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute 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. The Institute charges full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal. The Institute uses reducing balance method of depreciation.

The following depreciation rates are applied to Property, Plant and Equipment.

<b>Description</b>	<b>Rate of Depreciation</b>
• Land	Nil
• Building	2.5%
• Computers & Electronics	33.3%
• Furniture & Fittings	12.5%
• Plant, Property & Equipment	12.5%
• Motor Vehicles	25%

Work in Progress is only capitalized on completion or commissioning of the asset.

**e) Leases**

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

**f) Intangible assets**

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

**g) Biological Assets**

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

**h) Research and development costs**

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

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

- The availability of resources to complete the asset.
  
- The ability to measure reliably the expenditure during development.

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

#### **i) Financial instruments**

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

#### ***Financial assets***

##### ***Classification***

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

##### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the Institute 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.

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**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The Institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 5.

***Financial liabilities***

***Classification***

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

**j) 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.

### **Inventories (Continued)**

- 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 *Institute*.

#### **k) Provisions**

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

#### **Contingent liabilities**

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

#### **Contingent assets**

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

#### **l) Social Benefits**

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

**m) Nature and purpose of reserves**

The *Institute* creates and maintains reserves in terms of specific requirements.

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

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

**o) Employee benefits**

**Retirement benefit plans**

The Institute does not have a defined contribution scheme in place, it however contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,080 per employee per month. Employer contributions are recognised as expenses in the Statement of Financial Performance within the period they are incurred.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

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

**s) Service concession arrangements**

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

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. 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 *Institute*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 20.

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

6. Transfers from other National Government entities

Description	2025	2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
GOK Capitation Grants	26,264,096	44,017,500
Operational Grant – Recurrent	65,464,466	56,000,000
<b>Total unconditional Grants</b>	<b>91,728,562</b>	<b>100,017,500</b>

(a) Transfers from other Government entities (Categorized)

Name of the Institute Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year	2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for Vocational and Technical Training	91,728,562	-	-	91,728,562	100,017,500
<b>Total</b>	<b>91,728,562</b>	<b>-</b>	<b>-</b>	<b>91,728,562</b>	<b>100,017,500</b>

7. Rendering of Services

Description – Tuition & Other Fees	2025	2024
	Kshs	Kshs
School, Equipment & Stationaries (SES) TUTION	24,712,107	22,434,787
Boarding Equipment & Stores (BES)	17,515,685	19,609,345
Medical	392,006	761,474
Activities	1,638,269	2,249,406
Library	873,614	1,296,490
Contingencies	318,119	985,243
Student identity card	88,471	133,269
Industrial attachment	601,180	941,900
PTA Development projects	2,335,210	3,572,059
Practical training materials	3,721,898	5,475,410
Students governing council	169,464	294,790
Application form	119,600	84,700
Local Transport and Travel	225,605	536,020
Electricity, Water and Conservancy (EWC)	884,069	1,297,409
Repairs, Maintenance & Improvements	681,554	1,082,015
<b>Total Revenue Rendering of Services</b>	<b>54,276,851</b>	<b>60,754,317</b>

Rendering of Services includes Student Fees and Charges provided to the students recognized during the year.

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**Notes to the Financial Statements (Continued)**

**8. Other Income**

Description	2025	2024
	Kshs	Kshs
Rental revenue from facilities and equipment	1,000,118	1,235,924
<b>Total Other Income</b>	<b>1,000,118</b>	<b>1,235,924</b>

**9. Use of Goods and Services**

Description	2025	2024
	Kshs	Kshs
Electricity, Water and Conservancy (EWC)	6,913,998	9,734,131
Advertising - marketing services	1,900,005	567,800
SES Tuition	29,342,150	24,802,917
Boarding (BES)	34,881,839	46,724,135
Local transport & travel	6,274,150	7,559,722
Medical	2,854,228	2,239,136
Activities	684,120	2,843,672
Library	117,560	152,740
Contingencies	990,820	5,956,041
Industrial attachment	259,500	2,060,200
P TA development projects	4,614,360	4,671,030
Practical training materials	5,527,102	3,712,503
Students governing council	-	8,890
Security reinforcements	2,448,500	2,042,198
Performance contract 2020/2021	1,441,260	952,700
Staff development, KATTI and CAPA events	6,394,523	8,705,610
Generator	31,360	225,350
ICT infrastructure developments	2,837,219	652,177
Bank charges	277,597	529,008
Safety measures	5,360	179,916
Student identity cards	165,250	5,100
Audit fees	200,000	200,000
<b>Total Use of Goods and Services</b>	<b>108,160,901</b>	<b>124,524,976</b>

10. Employee Costs

Description	2025	2024
	Kshs	Kshs
Salaries and wages	9,269,387	9,013,161
Social contributions (NHIF, NITA, NSSF)	1,212,524	976,354
Housing benefits and allowances	1,101,600	1,101,600
Performance and other bonuses	180,000	180,000
<b>Total Employee Costs</b>	<b>11,763,511</b>	<b>11,271,115</b>

11. Board Expenses

Description	2025	2024
	Kshs	Kshs
Board allowances	866,500	1,246,353
<b>Total Board Expenses</b>	<b>866,500</b>	<b>1,246,353</b>

12. Depreciation Expense

Description	2025	2024
	Kshs	Kshs
Property, plant and equipment	15,723,434	17,538,431
<b>Total Depreciation Expense</b>	<b>15,723,434</b>	<b>17,538,431</b>

13. Repairs and Maintenance

Description	2025	2024
	Kshs	Kshs
Repairs, Maintenance & Improvements	810,325	3,133,464
<b>Total Repairs and Maintenance</b>	<b>810,325</b>	<b>3,133,464</b>

14. (Loss) on Fair Value Investments

Description	2025	2024
	Kshs	Kshs
Fair value (loss)/gain arising from Biological assets	(501,550)	415,800
<b>Total (loss)/gain on Fair Value Investments</b>	<b>(501,550)</b>	<b>415,800</b>

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Notes to the Financial Statements (Continued)

15. Cash and Cash Equivalents

Description	2025 Kshs	2024 Kshs
Current Account	76,740,901	51,796,760
Cash in Hand	14,247	7,248
<b>Total Cash and Cash Equivalents</b>	<b>76,755,148</b>	<b>51,804,008</b>

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

Financial Institution	Account number	2025	2024
		Kshs	Kshs
<b>a) Current Account</b>			
National Bank of Kenya	01003002830300	61,255,548	44,792,856
National Bank of Kenya	01003002830301	2,151,228	1,396,658
ABSA Bank of Kenya	1228336	13,334,125	5,607,246
<b>Sub -Total</b>		<b>76,740,901</b>	<b>51,796,760</b>
Cash in Hand		14,247	7,248
<b>Sub -Total</b>		<b>14,247</b>	<b>7,248</b>
<b>Grand Total</b>		<b>76,755,148</b>	<b>51,804,008</b>

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2025 Kshs	2024 Kshs
<b>Current Receivables</b>		
Student Debtors	16,894	-
<b>Total Current Receivables</b>	<b>16,894</b>	<b>-</b>

16 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2025		2024	
	2025	% of Total	2024	% Total
Less than 1 year	16,894	100%	-	-
<b>Total</b>	<b>16,894</b>	<b>100%</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (Continued)

17. Inventories

Description	2025	2024
	Kshs	Kshs
School, Equipment & Stationaries (SES)	2,199,930	1,588,019
Cleaning materials	969,065	548,353
Catering stores	837,840	557,765
Medical consumables	95,158	169,782
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>4,101,993</b>	<b>2,863,919</b>

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18. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 <sup>th</sup> June 2023	3,200,000,000	218,553,533	14,537,550	11,066,300	2,988,000	129,981,986	3,577,127,369
Additions	-	-	-	-	142,500	-	142,500
Disposals	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	3,200,000,000	218,553,533	14,537,550	11,066,300	3,130,500	129,981,986	3,577,269,869
Additions	-	-	-	-	55,000	-	55,000
Disposals	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2025	3,200,000,000	218,553,533	14,537,550	11,066,300	3,185,500	129,981,986	3,577,324,869
	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>							
At 30 Jun 2023	-	15,662,591	10,877,550	7,328,757	2,642,667	42,611,173	79,122,737
Depreciation	-	5,072,274	915,000	467,193	162,611	10,921,352	17,538,431
Disposals							
At 30 <sup>th</sup> Jun 2024	-	20,734,865	11,792,550	7,795,950	2,805,278	53,532,525	96,661,168
Depreciation	-	4,945,467	686,250	408,794	126,741	9,556,183	15,723,434
Disposals							
At 30 <sup>th</sup> Jun 2025	-	25,680,332	12,478,800	8,204,744	2,932,019	63,088,708	112,384,603
<b>Net Book Values</b>							
At 30 <sup>th</sup> Jun 2024	3,200,000,000	197,818,668	2,745,000	3,270,350	325,222	76,449,461	3,480,608,701
At 30 <sup>th</sup> Jun 2025	3,200,000,000	192,873,201	2,058,750	2,861,556	253,481	66,893,278	3,464,940,266

**Notes to the Financial Statements (Continued)**

**Valuation**

The Institute's land is estimated at value of Kshs. 80m per acre (40acres at Kshs. 3.2billion). The Institution is yet to obtain a professional valuer to ascertain the value of the land. Once the valuation is done then the exact market value shall be included in the subsequent financial years.

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

All assets were stated on the historical cost basis as per Note 18 above.

**19. Biological Assets**

Description	2025	2024
	Kshs	Kshs
At start of the year	1,495,000	1,079,200
Fair value (loss)/gain on Biological assets	(501,550)	415,800
<b>At end of the year</b>	<b>993,450</b>	<b>1,495,000</b>

**19 (a) Detailed Breakdown of Biological Assets**

	2025	2024
	Kshs	Kshs
Cows	820,000	1,265,000
Goats	73,000	75,000
Poultry	100,450	155,000
<b>Total</b>	<b>993,450</b>	<b>1,495,000</b>

Biological assets are stated at fair value (market value) less costs to sell as at the year ended 30 June 2025. Fair value represents market value of the animals based on observable market prices for similar livestock of similar age, breed and condition from reliable sources such as local farmer co-operatives.

**20. Trade and Other Payables**

Description	2025		2024	
	Kshs	% of the Total	Kshs	% of the Total
Accruals – audit fees	600,000		400,000	
Fees paid in advance	656,815		-	
<b>Total Trade and Other Payables</b>	<b>1,256,815</b>		<b>400,000</b>	
<b>Ageing analysis:</b>	<b>2025</b>	<b>% of the Total</b>	<b>2024</b>	<b>% of the Total</b>
Under one year	856,815	68%	200,000	50%
1-2 years	400,000	32%	200,000	50%
<b>Total (to tie t-o totals above)</b>	<b>1,256,815</b>	<b>100%</b>	<b>400,000</b>	<b>100%</b>

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**Notes to the Financial Statements (Continued)**

Increase in trade and other payables as at the yearend resulted from adjustment for advance school fees paid for the FY 2025/2026 of Kshs. 656,815 which were subsequently utilised in Q1 2025/2026 and accrual for current year audit fees of Kshs. 200,000.

**21. Cash generated from operations.**

	2025	2024
	Kshs	Kshs
<b>Surplus for the year</b>	9,179,310	4,709,202
<b>Adjusted for:</b>		
Depreciation	15,723,434	17,538,431
Fair value gain/(loss) in biological assets	501,550	(415,800)
<b>Working Capital Adjustments</b>		
(Increase) in Inventory	(1,238,073)	(351,401)
Increase in receivables	(16,894)	-
Increase in Payables	856,815	-
<b>Net Cash Flow from Operating Activities</b>	<b>25,006,142</b>	<b>21,480,432</b>

**22. Financial Risk Management**

The Institute's activities expose it to a variety of financial risks including credit, liquidity risk and market risk. The Institute's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

**(i) Credit risk**

The Institute 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.

The Institute's credit risk is primarily attributable to deposits with banks, however the risk is not significant since the Institute's banks are reputable institutions.

The Board members set the Institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

**Notes to the Financial Statements (Continued)**

**Financial risk management (Continued)**

**(ii) Liquidity risk management**

Liquidity risk is the risk that the Institute will not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive costs. This arises due to the mismatching of the timing of cash flows from revenue and capital/operational outflows.

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

The Institute is a government funded institution and faces the risk of delayed/inadequate funding.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables and other payables	200,000	-	200,000	400,000
<b>Total</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>400,000</b>
<b>At 30 June 2025</b>				
Trade Payables and other payables	200,000	656,815	400,000	1,256,815
<b>Total</b>	<b>200,000</b>	<b>656,815</b>	<b>200,000</b>	<b>1,256,815</b>

**(iii) Market risk**

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 Institute'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 Institute'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 Institute's exposure to market risks or the manner in which it manages and measures the risk.

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**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**a) Interest rate risk**

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank

deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits. To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**b) Foreign currency risk**

The risk is minimal as cash and cash equivalents held with banks are denominated in Kenya Shillings.

**iv) Capital Risk Management**

The objective of the Institute's capital risk management is to safeguard the Institute's ability to continue as a going concern. The Institute is a government funded institution and therefore the risk of going concern is minimal.

**23. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

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Description	2025	2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Government	91,728,562	100,017,500
<b>Total</b>	<b>91,728,562</b>	<b>100,017,500</b>
<b>b) Key Management Compensation</b>		
Directors' emoluments	866,500	1,246,353
<b>Total</b>	<b>866,500</b>	<b>1,246,353</b>

**24. Events After the Reporting Period**

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

**25. Ultimate and Holding Institute**

The Institute is a Technical and Vocational Education and Training (TVET) under the Ministry of Education, State Department of Vocational Education and Technical Training. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/KAREN TTID/2022-2023/(8)	<p><b>Property, Plant and Equipment balance</b> The Statement of Financial Position as disclosed on Note 17 Property, Plant and Equipment reflects a net book value of Kshs. 3,480,608,700. Included in the balance was a parcel of land with an estimated market value of Kshs. 3,200,000,000 whose ownership documents were in the name of three trustees and not in the Institute's name. The value for land is also not supported with a valuation report.</p> <p>The land is also not well fenced off and had been encroached despite the Principal having written to the Principal Secretary for State Department for Vocational and Technical Training requesting for funds to erect a perimeter wall. Other assets such as motor vehicles, plant and equipment and computers were fully depreciated. The ownership, accuracy and existence of property, plant and equipment balance of Kshs. 3,480,608,700 could not be confirmed.</p>	<p>The Institute commits to undertake a comprehensive exercise of valuation of all assets including land and buildings once funds are made available.</p> <p>The Principal has written to the Ministry of Education, State Department of Vocational and Technical Training requesting for funding to support the construction of a perimeter wall along its boundary and incorporate the related security system to reduce land encroachment.</p>	Not resolved	Not conclusive

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**Guidance Notes:**

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

.....*T. Chemobo*.....

**Tecla M. Chemobo**  
**Accounting Officer**  
**Institute’s Principal**

Date *27/10/2025*



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Appendix II: Projects Implemented by Karen Technical Training Institute For The Deaf

Projects

Projects implemented by the Karen Technical Training Institute for the Deaf funded by Development Partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
CONSTRUCTION OF HOSPITALITY BLOCK TYPE 1	OCBN/SDVTT/TVETE PHASE III/WORKS/8/22-23	AfDB and GOK	12 MONTHS	91,717,585	No	No

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Appendix III- Inter-Institute Confirmation Letter

Name of transferring Institute: State Department of Vocational and Technical Training

Name of beneficiary Institute: Karen Technical Training Institute for the Deaf

Confirmation of amounts received by Karen Technical Training Institute for the Deaf as at 30th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
R/25672	02/09/2024	4,436,627	-	4,436,627	Recurrent
R/25673	17/09/2024	4,436,683	-	4,436,683	Recurrent
B/5392	20/09/2024	1,075,024	-	1,075,024	Capitation
R/29471/72/81	20/09/2024	208,286	-	208,286	Capitation
R/29475	23/09/2024	208,286	-	208,286	Capitation
R/25677	24/10/2024	4,436,684	-	4,436,684	Recurrent
R/25678	24/10/2024	8,865,000	-	8,865,000	Recurrent
R/25680	17/10/2024	13,310,052	-	13,310,052	Recurrent
R/25681	03/02/2025	4,436,684	-	4,436,684	Recurrent
R/25683	17/02/2025	24,772,500	-	24,772,500	Capitation
R/25686	18/03/2025	4,436,684	-	4,436,684	Recurrent
R/25687	02/04/2025	4,436,600	-	4,436,600	Recurrent
R/25688	15/04/2025	3,360,000	-	3,360,000	Recurrent
R/25689	04/06/2025	4,436,684	-	4,436,684	Recurrent
R/25690	04/06/2025	4,436,684	-	4,436,684	Recurrent
R/25691	04/06/2025	4,436,684	-	4,436,684	Recurrent
<b>Total</b>		<b>91,728,562</b>		<b>91,728,562</b>	

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

Head of Accounts Department - Disbursing Entity:

Name ..... Sign ..... Date .....

Head of Accounts Department - Beneficiary Entity:

Name W. (Fred) Kimani Sign [Signature] Date 27/10/2025



Confirmed  
T. Chendo  
27/10/2025