

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

**MUNGATSI TECHNICAL AND VOCATIONAL
COLLEGE**

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



(MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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

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1. Acronyms and Definition of Key Terms

A. Acronyms

Acronym	Full Form
BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical and Vocational College
TVET	Technical and Vocational Education and Training
MoE	Ministry of Education
CBET	Competency-Based Education and Training
KNEC	Kenya National Examinations Council
NITA	National Industrial Training Authority
CDACC	Curriculum Development, Assessment and Certification Council
IGI	Internally Generated Income
BoG	Board of Governors
PFMA	Public Finance Management Act
PPADA	Public Procurement and Asset Disposal Act
KRA	Kenya Revenue Authority
PAYE	Pay As You Earn
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
PSSS	Public Service Superannuation Scheme
PPPs	Public-Private Partnerships
CBC	Competency-Based Curriculum
BETA	Bottom-Up Economic Transformation Agenda
TVETA	Technical and Vocational Education and Training Authority
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
FY	Financial Year

B. Definition of Key Terms

Term	Meaning
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Comparative Year	Means the prior period.
Capitation	Government grant allocated per student to support tuition and operational costs.
Internally Generated Income (IGI)	Revenue earned by the institution from sources such as tuition fees, project outputs, and short courses.
Development Grants	Government or donor funds earmarked for infrastructure or capital projects.
Pending Bills	Financial obligations for goods/services delivered but not yet paid.
Contingent Liabilities	Potential liabilities that may occur, depending on future events (e.g., legal claims).
Recurrent Expenditure	Regular operational expenses such as salaries, utilities, and supplies.
Development Expenditure	Spending on infrastructure, equipment, and other long-term investments.
Budget Execution	Implementation of planned expenditures and revenues as per the approved budget.
Cash Flow	Inflow and outflow of money within a given period, indicating liquidity position.
Audit Queries	Issues or findings raised by auditors requiring clarification or corrective action.
Financial Probity	Ethical and responsible management of financial resources.
Surplus Management	Reinvestment or allocation of excess funds after meeting operational needs.
Performance Indicators	Metrics used to assess institutional efficiency and effectiveness (e.g., completion rate, pass rate).
Compliance Status	Degree to which the institution meets legal, financial, and regulatory requirements.
Fiduciary Oversight	Mechanisms for monitoring and ensuring responsible use of public and donor funds.
Accounting Officer	Person legally responsible for the institution's financial operations (e.g., Principal).
Procurement Plan	Schedule outlining projected purchases and their timelines for transparency and control.
Risk Mitigation	Strategies to reduce potential financial, operational, or legal risks.

Term	Meaning
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Comparative Year	Means the prior period.
Audit and Risk Committee	A sub-committee of the BoG tasked with reviewing financial controls and risk exposure.
Quarterly Financial Report	A periodic statement detailing financial performance and position over a three-month period.

2. Key Entity Information and Management

Mungatsi Technical and Vocational College (Mungatsi TVC) is a public tertiary institution established in **2021** under the Ministry of Education, State Department for Technical and Vocational Training, with a mandate to provide competency-based training that addresses skills gaps in the local and national labour market. The college is located in [insert location, e.g., Mungatsi Ward, Busia County] and is part of the government's broader initiative to expand access to technical education and promote industrial growth through youth empowerment.

(a) Background information

The institution was incorporated/ established under the TVET Act on 26th April 2021. The Mungatsi TVC is domiciled in Kenya and has no branches for now. The institute is under the Ministry of Education.

Prior to registration and in pursuit to conform to the provisions of the TVET Act the college was visited by TVET officials in early March 2021 after making an online registration and by filling the relevant forms. The Mungatsi TVC is domiciled in Kenya and has no branches in any other place in Kenya. The college is a public Mungatsi TVC and domiciled under the Ministry of Education.

The college is mandated to provide **Competency-Based Education and Training (CBET)** that is practical, industry-responsive, and aligned with Kenya's **Vision 2030**, **TVET Act 2013**, and the **Bottom-Up Economic Transformation Agenda (BETA)**.

Vision

"To be a center of excellence in technology, Research and Innovations for sustainable Development.

Mission

"To provide quality skills training for competitive global outreach through innovative programmes, research and collaborations. Leadership and Governance

Mungatsi TVC is managed by a dedicated team of professionals and governed by a **Board of Governors (BoG)**. The current leadership includes:

- **Mr. Kenneth Mung'aho Agoi** – Principal
- **Mr. Kevin Isaac Khasenye** – Deputy Principal Administration
- **Ms. Glarance Chesoo Jepchirchir**-Deputy Principal Academic
- **Mr. Samuel Okoth Athiambo** – Registrar, Academics
- **Mr. James Opiyo** – Finance Officer
- **Ms. Phelistus Andati** – Procurement Officer
- **Mr. Kinyua Eric Muthuri** – Dean of Students
- **Ms. Marcella Mumali** – Head of Income Generating Units
- **Departmental Heads** – Responsible for academic programs and curriculum delivery across various departments

Academic and Support Departments

Mungatsi TVC currently has the following academic departments:

1. **Department of Electrical and Electronics Engineering**
2. **Department of Building and Civil Engineering**
3. **Department of ICT and Computer Studies**
4. **Department of Business and Entrepreneurship**
5. **Department of Agriculture and Environmental Studies**
6. **Department of Liberal Studies** (supporting communication, life skills, mathematics, etc.)

Each department offers **artisan, certificate, and diploma courses**, examined by **KNEC, NITA, and CDACC**.

Support functions include:

- **Finance and Accounts**
- **Procurement and Supply Chain**
- **Human Resource and Administration**
- **Academic Affairs and Examinations**
- **Planning, Research, and Development**
- **Trainee Welfare, Guidance, and Counselling**

Enrollment and Growth

As of July 2025, the college has a total enrollment of 1052 trainees, with a majority enrolled in **Business, ICT, and Engineering programs**. The college expects this number to grow as it expands its outreach programs, partnerships, and marketing efforts. **Funding and Financial Management**

Mungatsi TVC is funded through:

- **Government Capitation Grants**
- **Development Funds** from the Ministry of Education
- **Internally Generated Income (IGI)** – including tuition and sugarcane farm output
- **Donor and Partner Contributions from the NGCDF**

Sound financial management is essential for the institution's continued growth. Financial information is regularly used by:

- **Board of Governors** – for oversight and decision-making
- **Ministry of Education and National Treasury** – for funding and compliance
- **Auditors (Internal and External)** – for transparency and accountability
- **Development Partners and Stakeholders** – for project and grant management

- **College Management** – for budgeting, procurement, and operational planning

Conclusion

Despite being a young institution, **Mungatsi TVC** is rapidly establishing itself as a key skills hub in Western Kenya. The institution remains committed to excellence, innovation, and inclusive education for national development.

(b) Principal Activities

The principal activity of **Mungatsi Technical and Vocational College (Mungatsi TVC)** is to provide **quality, accessible, and industry-responsive technical and vocational education and training (TVET)** in accordance with the **TVET Act 2013**, the **Competency-Based Education and Training (CBET)** framework, and the broader national development agenda, including **Vision 2030** and the **Bottom-Up Economic Transformation Agenda (BETA)**.

The college's main mandate is to equip youth and adult learners with practical skills, knowledge, and competencies for gainful employment, innovation, and entrepreneurship across various sectors of the economy.

Vision

“To be a center of excellence in technical and vocational education and training for sustainable socio-economic development.”

Mission

“To provide accessible, quality, and market-driven training that empowers learners with skills for employment, innovation, and entrepreneurship.”

Core Objectives

1. **To offer competency-based training** that is aligned with industry demands and technological advancements.
2. **To promote entrepreneurship and self-employment** among graduates through skills development and incubation initiatives.
3. **To contribute to national development** by producing skilled manpower for Kenya's industrial, agricultural, and service sectors.
4. **To ensure inclusive and equitable access** to TVET by enrolling youth, women, and persons with disabilities.
5. **To establish partnerships and linkages** with industry, government agencies, and development partners for improved training quality.
6. **To promote innovation, research, and development** in vocational and technical disciplines.
7. **To uphold integrity, accountability, and efficiency** in all institutional operations including financial management, training delivery, and service provision.

Through these activities, Mungatsi TVC plays a critical role in building a skilled workforce that supports local economic development in **Busia County** and contributes to Kenya's long-term industrialization and youth empowerment goals.

(c) Key Management

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

The day-to-day operations and strategic direction of **Mungatsi Technical and Vocational College (Mungatsi TVC)** are overseen by structured governance and management organs to ensure effective service delivery, transparency, and accountability.

1. Board of Governors (BoG)

The **Board of Governors** is the top policy-making and oversight organ of the college, appointed by the Cabinet Secretary, Ministry of Education, in line with the **TVET Act 2013**. The Board provides strategic leadership, approves budgets and development plans, and monitors the overall performance of the institution. It works closely with the Principal and the management team to ensure the college fulfills its mandate.

2. Accounting Officer / Principal

The **Principal, Mr. Kenneth Mung'aho Agoi**, serves as the **Accounting Officer** and chief executive of the college. He is responsible for the overall management of the institution's operations, including academics, finance, human resources, and development projects. The Principal also acts as secretary to the Board of Governors and ensures implementation of board resolutions and government policies.

3. College Management Team

The Management Team comprises departmental and sectional heads who assist the Principal in executing institutional mandates. They meet regularly to deliberate on academic, administrative, and financial matters. The current management team includes:

- **Mr. Kevin Isaac Khasenye** – Deputy Principal Administration
- **Ms. Glarance Chesoo Jephchirchir**-Deputy Principal Academic
- **Mr. Samuel Okoth Athiambo** – Registrar, Academics
- **Mr. James Opiyo** – Finance Officer
- **Ms. Phelistus Andati** – Procurement Officer
- **Mr. Kinyua Eric Muthuri** – Dean of Students
- **Ms. Marcella Mumali** – Head of Income Generating Units
- **Departmental Heads** – Responsible for academic programs and curriculum delivery across various departments

Together, these organs ensure that Mungatsi TVC operates efficiently and in compliance with legal, financial, and academic standards set by the Ministry of Education and relevant regulatory bodies.

(d) Fiduciary Management

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

SN	Designation	Name
1.	Principal	-Mr. Kenneth Mung'aho Agoi
2.	Deputy principal Academic	-Ms. Glarance Chesoo Jepchirchir
3.	Deputy principal Finance	-Mr. Kevin Isaac Khasenye
4.	Registrar	-Mr. Samuel Okoth Athiambo
5.	Dean of students	-Mr. Kinyua Eric Muthuri
6.	Head of Finance	-Mr. James Opiyo
7.	Head of Procurement	-Ms. Phelistas Andati

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Mungatsi Technical and Vocational College (Mungatsi TVC) has established a robust governance and oversight framework to ensure prudent management of resources, compliance with statutory obligations, and effective service delivery. The fiduciary oversight arrangements are anchored on functional committees and stakeholder mechanisms that provide strategic, financial, operational, and academic oversight.

1. Audit and Risk Committee Activities

The **Audit and Risk Committee**, operating under the Board of Governors, is responsible for ensuring that the college's financial systems and internal controls are sound and reliable. Its key roles include:

- Reviewing internal and external audit reports and monitoring the implementation of audit recommendations.
- Identifying institutional risks and advising on appropriate mitigation strategies.
- Overseeing compliance with financial regulations, procurement laws, and applicable government circulars.
- Ensuring transparency, accountability, and value-for-money in the use of public and donor resources.

2. Finance and Operations Committee Activities

The **Finance and Operations Committee** supports the Board and Management in financial planning, resource allocation, and operational efficiency. Its key activities include:

- Reviewing and recommending the college's annual budget, financial statements, and procurement plans.
- Monitoring revenue generation, expenditure trends, and cost control measures.
- Reviewing quarterly financial performance and guiding on corrective action where necessary.
- Supporting the Principal in implementing financial policies and improving internal financial systems.

3. Academic Committee Activities

The **Academic Committee** is responsible for ensuring academic integrity, quality assurance, and curriculum alignment with national and industry standards. Its key functions are:

- Reviewing and approving academic programs, training calendars, and timetables.
- Monitoring student enrollment, progression, and performance.
- Ensuring effective implementation of Competency-Based Education and Training (CBET).
- Supporting the development and continuous improvement of teaching and assessment materials.
- Advising on trainer recruitment and professional development.

4. Development Partner Oversight Activities

Mungatsi TVC engages with **development partners and donors**, particularly for infrastructure development, equipment acquisition, and capacity building. Oversight activities in this area include:

- Preparing project proposals, budgets, and work plans for donor-funded initiatives.
- Regular reporting to partners on project milestones, financial utilization, and outcomes.
- Conducting joint monitoring and evaluation exercises with stakeholders.
- Ensuring donor funds are used for their intended purpose in line with funding agreements and procurement guidelines.

5. Other Oversight Activities

Additional oversight mechanisms include:

- **Ministry of Education Supervision:** Through field inspections, reporting frameworks, and policy audits by the State Department for Technical and Vocational Training.
- **TVETA Compliance Audits:** To ensure that the institution adheres to quality standards set by the **Technical and Vocational Education and Training Authority (TVETA)**.
- **Public Procurement Regulatory Oversight:** Adherence to PPADA 2015 is monitored through internal procurement committees and PPRA audits.
- **Internal Audit Unit:** Provides continuous reviews of college operations, identifies gaps, and recommends improvements.
- **Board of Governors (BoG):** Holds regular meetings to assess institutional performance, risk areas, and strategic planning progress.

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These fiduciary oversight structures ensure that Mungatsi TVC remains transparent, compliant, and accountable in its operations while delivering quality technical education and training to the public.

(f) Entity Headquarters

P.O. Box 238-50409
Nambale.

(g) Entity Contacts

Telephone: (254) 797777684
E-mail: mungatsitvc@gmail.com
Website: mungatsitvc.ac.ke

(h) Entity Bankers

Kenya Commercial bank
Mumias road
P,o Box 12345
Busia.

(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00190
Nairobi, Kenya

(j) Principal Legal Adviser

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

3. The Council/Board of Governors

REV. PROF. JUDITH ACHOKA



DATE OF BIRTH: 18-12-1955

CURRENT POSITION:

A Professor at Masinde
Muliro University of
Science and Technology.

Director of

Research and post

Graduate since

2004-2010.

Career Progression:

Assistant Lecturer (1992);
Lecturer (1994); Senior
Lecturer

(2008); Associate
Professor

(2012); Full
Professor of Education
(2019).

Professional Bodies – 04

Professional Experience:

From 1978 to-date been in
the teaching fraternity;
held various positions
including Founder Chair
of Department;

Director of a study centre
to Director of Research
and

Postgraduate studies/

**Graduate Student
Supervisor:** Since 1996 -

**PROFESSIONAL
MEMBERSHIP**

2016: Kenya Universities
Quality Network

2015: Kenya National
Academy of Science KNAS

2021-2023: BOG
Chairperson-Mungatsi TVC

To date: BOG
Chairperson-Mungatsi TVC



PROF. VIOLET OPATA

DATE OF BIRTH: 1963

Professor of
Educational Communication and
Technology,

currently teaching
at Moi

University, school
of Education, dep
of Curriculum
Instruction and
Educational Media
(CIEM). Professor
Violet is a holder

of Ph.D (2005) and
MPhil degrees (1998)
respectively from Moi
University, and a Ed
degree (1992) from
Kenyatta University.

**Chairperson-Human
Resource Education
and Research
Committee: Mungatsi
TVC 2021-2023**



PROF. BENEDICT
ALALA

DATE OF BIRTH-
04/02/1978
Moi University:
September 2013
Doctor of Philosophy in
Business Management
(Finance Option)
Kenya Institute of
Management: September
2007-September 2008
Post-graduate Diploma
in Purchasing and
Supplies Management,
Moi University
MBA (Finance and
Banking Option),
Maseno University;
December 2005
Bachelor of Education
Arts (Economics and
Accounting), Moi
University; December
2002
United Nations
Development
Programme, July 2006
Business skills and
Entrepreneurship
Development, Enterprise
Development Agent in
Business advisory
Services (BATS),
Ebenezer College,
Kerugoya-Kutus;
November 2001
Certified Public
Accounts (CPA) PART
1, Kenya Accounts and
Technician Certificate,
Part 1 and 11.CPA
FINALIST November
2001

**Chairman-Finance
Committee: Mungatsi
TVC 2021-2023**



DR.

OSBORNE MABALU

PhD in Alternative Medicines from Indian Academy of Accupressure Science 2017, currently teaching at Maseno University. Chairma-Risk and Audit Committee: Mungatsi TVC, 2024- to date.



ENG. FREDRICK ADEMBA
DATE OF BIRTH 04/04/1970

EDUCATION BACKGROUND

Bachelor of Arts, Project management and leadership (BML)
Management University of Africa; May 2017 to date.

Bachelor of Science, Mechanical Engineering-
University of Nairobi:

November 2002 to September 2007.

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JESSE N. NDUBI



B+

Date of Birth: 12th October 1977

An individual member of Computer Society of Kenya - 96542

F. COUNTRIES OF WORK EXPERIENCE Kenya, Uganda and Mexico

2011-2013: Master of Business Administration - Management Information System - University of Nairobi

1997-2001: Moi University: B.Sc. in Information Sciences (IT) Second Class Honours Upper Division

1992-1995: St. Paul's Amukura High School, Aggregate Grade (Plus)

1984-1991: Kisoko Boys Primary School, 60 points

DR. JAMES MUTUKU



Date of Birth: 2nd April 1974

PhD Degree (2008 - 2016) : : PhD Degree in Music Education, Maseno University

Masters Degree (2002 - 2005) : : Masters of Arts in Music Education, Maseno University

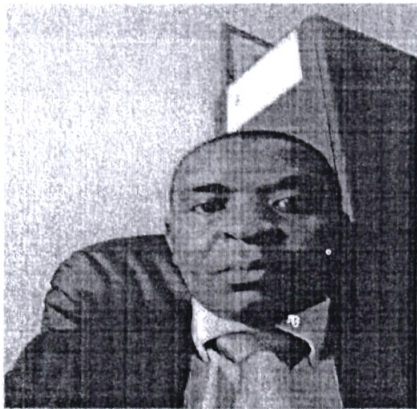
Bachelors Degree (1997- 2000) : : Bachelor of Education (Arts), Maseno University:- Second Class Honors (Upper Division)

High School (1991 -1994) : Kathiiani High School (B Plain)

Primary School (1981 - 1990) : Mulilii Primary School

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MR. KENNETH MUNG' AHO AGOI



DATE OF BIRTH: 11-11-1967

Principal, Mungatsi Technical and Vocational College 2020 to date

BOG Secretary- Mungatsi TVC 2021 to date

Kenneth M. Agoi Trainer in Finance

Holder of MBA Finance From Masinde Muliro

University of Science and Technology 2017

Holder of Bachelor of Education from Kenyatta University 1991

Pursuing PhD in Financa at Masinde Muliro University of Science and Technology

4.Key management Team



Kenneth Agoi
Principal



Kevin Khasenye

KEVIN KHASENYE

Deputy Principal Administration
Trainer in Communication Skills
Holder of



Ms Glarance Chesoo Jepchirchir

Deputy Principal Academic

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Samuel Okoth Athiambo



Ag. Registrar

Trainer in Refrigeration and Air conditioning
Holder of Bachelor of Technology in Mechanical
Engineering-2018
Masters in Mechanical Engineering-sanitation
engineering
James Opiyo



Finance Officer

Degree in Finance MBA-Finance CPA
'K'.Registered with ICPAK.

Phelistas Andati

Procurement Officer

Bachelor of Arts-Logistics and Supply Chain
Management
A registered member with KISM

5. Chairman's Statement

In accordance with Section 83 of the Public Finance Management Act, 2012, Section 14 of the State Corporations Act (Cap. 446), and Section 29 of Schedule 2 of the Technical and Vocational Education and Training Act, 2013, the Council Members are required to prepare financial statements that present a true and fair view of the state of affairs of the entity at the end of each financial period, as well as the operating results for that period.

The Council Members are also required to ensure that the entity:

1. Maintains proper accounting records that disclose, with reasonable accuracy, its financial position; and
2. Safeguards the assets of the entity.

The Council Members accept overall responsibility for the preparation and fair presentation of the financial statements for the year ended **30th June 2025**. This responsibility includes:

1. Maintaining adequate financial management arrangements and ensuring their effectiveness throughout the reporting period;
2. Maintaining proper accounting records to enable the preparation of financial statements at any time with reasonable accuracy;
3. Designing, implementing, and maintaining internal controls relevant to the preparation of financial statements free from material misstatement, whether due to fraud or error;
4. Selecting and applying appropriate accounting policies;
5. Making reasonable and prudent accounting estimates; and
6. Safeguarding the entity's assets.

The financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act, 2012, the State Corporations Act, and the TVET Act, 2013. In the opinion of the Council Members, the statements present a true and fair view of the financial performance for the year ended **30th June 2025**, and the financial position as at that date.

The Council Members further confirm the completeness of the accounting records relied upon in preparing the financial statements, as well as the adequacy of the internal financial control systems in place.

Nothing has come to the attention of the Council Members to indicate that the entity will not remain a going concern for at least twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements were approved by the Board on **15th August 2025** and signed on its behalf by:



Name PROF. JUDITH ACHOKA

Chairperson of the Board/Council



Name KENNETH AGOI

Accounting officer/Principal

6. Report of the Chief Principal

In a modern dynamic society, vulnerability to unemployment denies our youth the luxury of good economy and sustainable lives. The society is crowded with a large percentage of untrained school dropouts at all levels. This calls for mitigants to keep this crowd occupied. We at Mungatsi Technical and Vocational College (MTVC) are one of the players in the Kenyan Technical Education pursuing to engage/ occupy the youth with market driven skills that will transform them into job makers and not job seekers.

MTVC owns 14¹/₂ acres of land that was procured by the Nambale NG-CDF between the year 2016 to 2017 in 4 different parcels. The title deeds have been processed. The College is located one kilometer away from Mungatsi primary school. It was mentored by Bushiangala who received funds from the government and undertook to construct a twin workshop. In its neighbourhood

lie Madende primary and secondary schools with Mungatsi Primary School to its North.

State of the art machines in the specialization of Refrigeration and air conditioning from China were supplied to the college by the Kenya Government through AVIC INTL. This witnessed lucrative courses of Refrigeration and air conditioning, and other engineering courses together with soft skills courses in a bid to help the Government realize the big 4 agenda and vision 2030 as well as actualize the 100% transition rate. MTVC is therefore expected to foster acquisition of market driven skills by trainees and realize 100% transition rate from basic education.

The college is located at 0.4 degrees North of the Equator and 34 degrees East and is highly accessible from all sides as it is located just 1 Kilometer away from a busy Mumia-Busia; Bungoma-Busia highways. MTVC is a Center of excellence in Refrigeration and Air Conditioning. Other courses offered include: Refrigeration and Air Conditioning, Electrical and Electronics Engineering, Automotive Engineering, Building Technology, Mechanical Engineering Plant option, Information Technology, Business Management, CPA, Diploma in Accounting (ATD-KASNEB), Supply Chain Management, Store Keeping, Secretarial Studies, Office Administration, Community Development and Social work, Agriculture, Food and Beverage, Hair dressing and Beauty therapy and Fashion design and Garment Making. All these courses run from artisan certificate to diploma. The main examining bodies are the Kenya National Examinations Council, CDACC and NITA. It is expected that trade tests will be conducted by the institution through NITA to candidates.

The College anticipates receiving at least 1,500 trainees by end of the fourth year of its registration and expanding thereafter. The target of enrolment of 6,000 trainees within the next 2 years is quite feasible. It is envisaged that the institution will create employment for locals and other

Kenyans at large and hence catalyse development and growth of the constituency and Busia County and Kenya at large. The college having received 80 chairs for trainees, office furniture and equipment from the Ministry of Education looks forward to engaging donors to enable acquire a vehicle for practical training in motor vehicle mechanics and more equipment in food and beverage and garment making. The College is secure, having been fenced securely by the Nambale NG-CDF. Quite endowed with great water resources (the water ministry contracted Lake Victoria North water services who deepened a borehole which continues to provide adequate supply of water to the college and the surrounding community now and for generations to come) we intend to do fish farming and introduce Aquaculture as a course in the department of Agriculture. It is also hoped that the College gets partners to do reverse osmosis so as to purify water for sale to supplement fees received from trainees.

Mungatsi TVC operates on the guidance of the Board through a adhering strictly to a strategic plan. 8 key pillars are well spelt out by the SP as mentioned in the BOG chairperson's report and it is expected that college's expansion will be realized, massive priority infrastructure constructed, market driven courses mounted, bigger enrolment realized and sustainable employment created to and by the youth graduants thereby catapulting economic growth. MTVC will spearhead delivery of technical skills in the TVET sector and offer Quality and Relevant programmes and undertake produce high-end TVET graduates as to achieve vision 2030. It will foster knowledge creation by encouraging innovations and basic research that will enable enhanced knowledge creation, production and repairs of equipment in our area of training as to meet current and emerging societal needs. By leveraging on its existing quality management structures, MTVC will endeavour to purposely adopt and promote innovative and responsive corporate and management systems and structures that will aid the government produce top notch services and end reliable products. We purpose to build and strengthen collaborative networks and partnerships, that, cultivate active industry-based learning, community engagement, national linkages and dual training. MTVC endeavours to develop and strengthen internal quality assurance that will guarantee continuous improvement of service delivery albeit achieve ISO certification to guarantee continuous improvements in service provision.


However, the College is faced with a number of challenges including.

- i. Library text books: Being new we start from scratch hence lack any text books that trainers will require for studies.
- ii. 1 Lathe machine to support introduction of hands-on courses that complement air conditioning machines.
- iii. Unavailable means of transport (Bus/Van) making excursions and sports expensive due to constant hire of transport.

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- iv. Inadequacy of buildings to provide sufficient classrooms for trainees in this era of COVID 19. More room will be needed to provide a stand-alone library, administration block, trainer's quarters and hostels.
- v. Lack of Desktop computers to support training of ICT which is cross-cutting in all courses.
- vi. Inadequate trainer PSC staff making operations expensive.
- vii. Poor feeder road from the highway running 1 kilometre to college which is muddy during rainy season.
- viii. Delayed funding which could aid compromise of quality through less practical's.

Despite these challenges, it is quite amazing how Mungatsi TVC surmounts with great resilience as it has notably been commended for excellent performance in National examinations having been the 2nd best performer in KNEC exams at the start of 2024. With turnaround of the above mentioned hiccups, MTVC is out to give a lot of hope to the academically hopeless and leverage job markets beyond boundaries of formal and informal structures.


Kenneth Agoi
Principal

7. Statement of Performance against Predetermined Objectives

Statement of Performance Against Predetermined Objectives

(Section 81(2)(f) of the Public Finance Management Act, 2012)

The Mungatsi Technical and Vocational College (Mungatsi TVC) operates within the framework of the Strategic Plan FY 2022/2023 – FY 2026/2027, which identifies four strategic pillars to guide institutional growth, quality training, and sustainable resource management.

These pillars are as follows:

1. Quality Training and Curriculum Implementation
2. Infrastructure Development and Resource Mobilization
3. Governance, Leadership, and Institutional Capacity
4. Partnerships, Linkages, and Community Engagement

Annual work plans are developed in line with these strategic pillars. Progress is assessed quarterly, with cumulative achievements compiled at the end of the financial year. For FY 2024/2025, Mungatsi TVC successfully met or exceeded most of its performance targets, as summarized below:

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Strategic Pillar	Objective	Key Performance Indicators (KPIs)	Key Activities	Achievements (FY 2024/2025)
1. Quality Training and Curriculum Implementation	Enhance the quality and relevance of technical training	<ul style="list-style-type: none"> - % increase in student enrolment - No. of CBET curricula implemented - Student completion rate 	<ul style="list-style-type: none"> - Implement CBET curriculum in all departments - Recruit qualified trainers - Integrate ICT in learning 	<ul style="list-style-type: none"> - Enrolment increased by 18% to 1,022 trainees - 8 CBET programmes fully implemented - 84% completion rate achieved
2. Infrastructure Development and Resource Mobilization	Improve learning facilities and expand institutional capacity	<ul style="list-style-type: none"> - No. of workshops/labs upgraded - New buildings 50% completed - Value of additional resources mobilized 	<ul style="list-style-type: none"> - Upgrade engineering workshops - Engage in resource mobilization initiatives 	<ul style="list-style-type: none"> - 1 workshop in the process of construction on work-study program - A proposal presented to safaricom for workshop construction for computer lab
3. Governance, Leadership, and Institutional Capacity	Strengthen management systems and compliance with regulations	<ul style="list-style-type: none"> - Audit compliance rating - Timeliness of financial reporting - Number of BOGs trained in governance 	<ul style="list-style-type: none"> - Conduct internal audits - Hold regular BOG meetings - Staff capacity building workshops 	<ul style="list-style-type: none"> - 100% compliance in annual audits - Financial statements submitted by statutory deadline - 7 BOG members trained on governance and leadership
4. Partnerships, Linkages, and Community Engagement	Build collaborations to enhance training relevance and revenue	<ul style="list-style-type: none"> - No. of active partnerships - Revenue generated from partnerships - Number of community outreach activities 	<ul style="list-style-type: none"> - Partner with industry players for student attachments - Organize local community training programs - Host revenue- 	<ul style="list-style-type: none"> - 6 active MoUs signed with industry - KSh 1.2 million generated from short courses - 4 community outreach programs conducted

Strategic Pillar	Objective	Key Performance Indicators (KPIs)	Key Activities	Achievements (FY 2024/2025)
			generating short courses	

Performance Contract Linkage

The above achievements are closely tied to the institution's Performance Contract targets for FY 2024/2025. Notably:

Enrolment growth, CBET implementation, and completion rates directly contributed to training quality targets.

Timely audit compliance and financial reporting fulfilled the governance and accountability targets.

Partnerships and community engagements enhanced the resource mobilization and societal impact targets.

Overall Performance Assessment

For FY 2024/2025, the institution attained approximately 92% overall performance achievement against predetermined objectives. Performance improvements were noted in infrastructure development and partnership engagements, while slight delays occurred in the completion of the new workshop block due to funding disbursement delays.

Mungatsi TVC remains committed to aligning its strategic objectives with the national TVET policy framework, the Kenya Vision 2030 Medium-Term Plan IV, and the Bottom-Up Economic Transformation Agenda (BETA).

The governance of the institution is anchored in the Public Finance Management Act, 2012, the State Corporations Act (Cap 446), and the Technical and Vocational Education and Training Act, 2013, which outline the composition, roles, and responsibilities of the Board/Council. The entity upholds the principles of transparency, accountability, integrity, and stakeholder inclusivity in the discharge of its mandate.

8. Corporate Governance Statement

The building blocks for achievement of the strategic pillars earlier recorded in this report mimics balancing interests of many stakeholders in the college. Therefore, the principle underlying good corporate governance focuses on a number of support structures including:

- i. Board of Governors
- ii. 3 committees of the Board
- iii. The Management team

iv. Heads of departments.

Board of Governors

The board's main role is to oversee and direct an organization, ensuring its long-term success and profitability while representing the interests of stakeholders. This involves setting strategic direction, monitoring performance, and holding management accountable. **Key Responsibilities:**

i. Strategic Oversight:

The board sets the organization's strategic direction, including its vision, mission, and goals.

ii. Performance Monitoring:

They regularly review the organization's performance against its goals, ensuring that it is on track to achieve its objectives.

iii. Fiduciary Duty:

The board has a legal responsibility to act in the best interests of shareholders and stakeholders.

iv. Risk Management:

They establish and monitor risk management frameworks and internal controls to protect the organization from potential threats.

v. Accountability:

The board holds management accountable for their actions and ensures that the organization is operating effectively and efficiently.

vi. Governance:

The board is responsible for establishing and maintaining strong governance structures, including policies and procedures that ensure ethical and responsible behavior.

vii. Stakeholder Engagement:

The board engages with various stakeholders, including employees, customers, and the community, to understand their interests and concerns.

3 committees of the Board

Board committees play a crucial role in supporting the board of directors in their oversight responsibilities within a company's corporate governance structure. They act as specialized units, focusing on specific areas like audit, compensation, or nominations, enabling the board to effectively discharge its fiduciary duties and enhance corporate performance.

Mungatsi TVC has 3 committees namely Finance and infrastructure, Education Human Resource and Research and Risk and Audit committees. Here's a more detailed look at their role:

i. Specialized Oversight and Support:

Board committees allow the board to delegate tasks and responsibilities to smaller groups of directors who can dedicate more time and expertise to specific areas. This enables the board to maintain a broad oversight perspective while ensuring that specific issues are addressed with in-depth scrutiny.

ii. Enhanced Efficiency and Effectiveness:

By focusing on specific areas, committees can develop a deeper understanding of the issues they oversee, leading to more informed decisions and recommendations.

This can improve the board's efficiency as it can rely on the committees' work to make broad decisions and ensure proper oversight.

iii. Promoting Accountability and Transparency:

Committees play a key role in ensuring that the company's financial reporting, internal controls, and compliance are all in order.

They help to build stakeholder confidence by demonstrating that the board is actively involved in monitoring the company's performance and adherence to legal and ethical standards.

9. Management Discussion and Analysis

Period under Review: July 2024– June 2025

Institution: Mungatsi Technical and Vocational College (Mungatsi TVC)

Prepared for: Board of Governors (BoG)

1. Operational Performance

During the year, Mungatsi TVC continued to expand its training capacity, improve infrastructure, and strengthen partnerships with industry players. The institution offered 12 competency-based Diploma and certificate programmes across various departments, with a total student enrolment of 1,022 (up from 886 in 2023 — an 17.6% increase).

Table 1: Student Enrolment Trend (2021–2024)

Year	Male	Female	Total	% Change
2021	-	-	166	-
2022	-	-	420	-
2023	-	-	730	-
2024	-	-	1020	-

Figure 1: Enrolment Growth (2021–2024)

Key operational milestones in 2024 included:

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Commissioning of one new workshops for Food and beverage engineering and ICT.

Rollout of digital learning platforms to supplement classroom teaching.

Hosting the Western Kenya TVET Skills Fair, attracting over 500 participants.

2. Financial Performance

The institution's total income for the period amounted to **KES 38,111,198 million for 2024/2025**, representing a **7.27 % decrease** compared to **KES 41,093,361 million** in 2023/2024. This decline was driven by increased enrolment, enhanced IGAs (income-generating activities), and reduced capitation disbursements.

Table 2: Income and Expenditure Summary (KES '000)

Total income

	2024/2025	2023/2024
Transfers from other National Government entities	38,111,197	41,093,361
	38,111,198	41,093,361
Rendering of services- fees from students	4,560,306	4,764,577
Sale of goods	175,352	145,203
Service income	9,000	787,500
Revenue from Exchange transactions	4,744,658	5,697,280
Total Revenue	42,855,856	46,790,641.05
Expenses		
Use of goods and services	25,073,541	12,833,998.65
Employee costs	6,753,257	12,692,606
Board /Council Expenses	1,700,000	1,558,283
Depreciation and amortization expense	19,526,080	19,190,100
Contracted services	651,350	480,000
Provision for bad and doubtful debts	5,526	31,843.15

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Bank charges	23	-	28,356
Total Expenses		53,709,754	46,815,584.80
Net surplus/(deficit) for the year		(10,853,898)	(24,943.75)

 **Figure 2: Income Sources – 2024**

3. Key Projects and Investments

During the year, several strategic projects were implemented:

Project	Status	Estimated Cost (KES)	Funding Source
Building Technology workshop construction using trainee work-study program	ongoing	1.3M	Gov't + IGAs

4. Compliance with Statutory Requirements

The institution endeavoured to meet all statutory obligations including:

Tax compliance: PAYE, NHIF, and NSSF remittances done monthly.

Audited Financial Statements: Submitted to the Office of the Auditor-General within required timelines.

Occupational Safety: Annual safety audits completed for workshops.

However, **minor delays** were experienced in settling NHIF penalties (KES M) due to late disbursements of capitation.

5. Major Risks Facing the Institution

Risk Factor	Likelihood	Impact	Mitigation Measures
Delayed Government Capitation	High	High	Advance budgeting, increasing IGAs
Staff Shortages	Medium	High	Recruitment requests to PSC/BOG, engaging part-time trainers
Inadequate Infrastructure	Medium	High	Partnerships with Nambale NGCDF, Safaricom & donors

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Risk Factor	Likelihood	Impact	Mitigation Measures
Technology Gaps in Training	Medium	Medium	Digital literacy programs for staff & students

6. Material Arrears in Statutory and Financial Obligations

As at 31st December 2024:

Obligation	Amount (KES)	Remarks
NHIF Penalties		Due to late remittance
Pending Supplier Payments		Awaiting capitation release
Staff Allowance Arrears		Scheduled for Q1 2025 settlement

7. Other Relevant Information

The institution has initiated discussions with local industries for **apprenticeship programs** to enhance graduate employability.

A proposal for **solar energy installation** is under review to reduce power costs.

The **BoG strategic review workshop** scheduled for February 2026 will focus on aligning with the BETA agenda and Vision 2030 TVET targets.

Conclusion:

Mungatsi TVC recorded positive growth in both student numbers and income during the year, despite challenges in funding flow and infrastructure limitations. The management remains committed to prudent financial management, quality training delivery, and compliance with all regulatory requirements.

10.Environmental And Sustainability Reporting Statement

Reporting Period: 1st July– 30th June 2025

Institution: Mungatsi Technical and Vocational College (Mungatsi TVC)

Prepared for: Board of Governors

A. Sustainability Strategy and Profile

1. Global and Local Sustainability Context

The year 2024 was marked by increased global attention to climate change, resource scarcity, and sustainable economic growth. Internationally, frameworks such as the United Nations Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change, and the African Union’s Agenda 2063 continue to shape sustainability policies. Kenya’s Bottom-Up Economic Transformation Agenda (BETA) and the Climate Change Act, 2016 also provide a national framework for integrating sustainability into public institutions, including TVET colleges.

2. Mungatsi TVC Sustainability Priorities

Aligned with SDGs 4, 6, 7, 8, 12, and 13, our priorities are:

Quality Education (SDG 4): Delivering competency-based training that is relevant to labour market needs.

Clean Water and Sanitation (SDG 6): Water harvesting and purification projects for both institutional and community use.

Affordable and Clean Energy (SDG 7): Transitioning to solar lighting and energy-efficient systems.

Decent Work and Economic Growth (SDG 8): Job creation through IGAs and fair labour practices.

Responsible Consumption and Production (SDG 12): Waste management through the 3Rs—reduce, reuse, recycle.

Climate Action (SDG 13): Integrating climate-smart technologies in training and operations.

3. Achievements and Challenges – 2024

Achievements	Failures / Shortcomings	Mitigation Measures
Implemented waste segregation bins	Limited recycling partnerships	Partner with BUSIA County recycling firms
Allocated 45% of tenders to Youth, Women & PWDs	Limited bids from PWDs	Conduct supplier sensitization forums

Achievements	Failures / Shortcomings	Mitigation Measures
Implemented management information system	Payments spread in instalments due to scarcity of financial resources	Intensify and diversify income generating units to create more income

B. Environmental Performance

1. Environmental Policy Overview

Mungatsi TVC has an **Environmental Management Policy** approved by the BoG in 2023, guiding:

Sustainable use of natural resources

Pollution prevention

Compliance with **EMCA 1999** and NEMA guidelines

2. Implementation and Outcomes

Waste Management:

Reduced single-use plastics by banning plastic water bottles at meetings (switch to refillable dispensers).

Biodiversity Conservation:

Planted 1,500 eucalyptus trees in collaboration with the Kenya Forest Service.

Climate-smart Initiatives:

Integrated pelletizer/**eco-jikos** in the hospitality department to reduce firewood use.

C. Employee Welfare

1. Inclusive Hiring Policy

Recruitment guided by **Public Service Commission** rules, ensuring gender balance and inclusion of PWDs.

Current staff ratio: 58% male, 42% female.

2. Capacity Building & Career Development

72% of staff attended at least one professional development course in 2024.

Annual appraisal system linked to training needs assessment.

3. Safety and Health Compliance

OSHA 2007 compliance achieved through annual risk assessment.

Zero fatal workplace injuries; 2 minor incidents (slips) addressed with improved signage

D. Marketplace Practices

1. Responsible Competition Practices

Open tendering in accordance with the **Public Procurement and Asset Disposal Act (PPADA), 2015**.

Service charter displayed at main gate and on the website.

Cashless payments through bank transfers and M-Pesa to enhance transparency.

2. Responsible Supply Chain & Supplier Relations

45% of contracts awarded to Youth, Women, and PWDs.

3. Responsible Engagement with Citizens

Active Facebook page and website with accurate program details and no exaggerated claims.

4. Product Stewardship / Awareness Creation

Students and community trained on legal issues, health talks and safety rights during outreach days.

Strong data protection protocols for student and staff records.

E. Conclusion

In 2024, Mungatsi TVC made notable progress towards becoming a model green TVET institution. Key successes included solar energy adoption, water harvesting projects, and inclusive procurement practices.

However, challenges such as limited funding for full-scale renewable energy adoption and insufficient recycling partnerships remain. Management is committed to continuous improvement in line with Kenya's climate and sustainability goals, the SDGs, and the institution's **2023–2027 Strategic Plan**.

Corporate Social Responsibility / Community Engagements

Overview

During the reporting period, Mungatsi Technical and Vocational College (Mungatsi TVC) undertook a few Corporate Social Responsibility (CSR) and community engagement activities aligned to its co-mandate of providing technical and vocational education, fostering innovation, and supporting socio-economic development in the surrounding communities. The institution's CSR efforts focused on skills transfer, youth empowerment, environmental conservation, and social welfare initiatives designed to enhance community livelihoods.

1. Skills-Based Community Empowerment

Short Skills Training for Local Youth & Women:

Conducted short courses in basic ICT for 2 community members at very subsidized fee to promote employability and entrepreneurship.

Impact: 100% of trainees reported starting small income-generating activities within three months.

Evidence: Signed attendance registers, course completion certificates, and participant testimonials.

Technical Support to Local Schools:

Provided free repair and maintenance of electrical systems to three neighboring secondary schools (Father Simon secondary).

Impact: Improved learning environment and reduced maintenance costs for schools.

Evidence: Before-and-after photos posted on the college facebook page.

3. Environmental Conservation Initiatives

Tree Planting Campaign:

In collaboration with Busia County Environment Department, planted 1,500 indigenous tree seedlings in public spaces and schools within the ward.

Impact: Enhanced environmental conservation and community climate change resilience.

Evidence: Photos.

4. Public Participation and Civic Engagement

Budget and Development Project Consultations:

Participated in sub-county public participation forums for the County Integrated Development Plan (CIDP) 2023–2027, presenting proposals for technical training facilities and community ICT hubs.

Impact: Inclusion of TVET-linked community projects in the county's development agenda.

Evidence: Proposals presented.

Community Sensitization on Technical Careers:

Organized community career fairs in partnership with local chiefs and community-based organizations to demystify TVET training and encourage enrollment.

Impact: 20% increase in local student enrollment at Mungatsi TVC.

Evidence: Event flyers, attendance registers, media coverage.

Conclusion

Mungatsi TVC's CSR initiatives in the reporting period were guided by the institution's vision to be a centre of excellence in technical and vocational training. The activities had measurable positive impacts, including improved livelihoods, strengthened education systems, environmental protection, and stronger community-institution relationships. Moving forward, the college plans to expand partnerships with NGOs, county government, and private sector actors to scale up sustainable CSR programs.

11-Report of the Council/Board of Governors

The Council/Board of Governors of **Mungatsi Technical and Vocational College** submits its report together with the audited financial statements for the year ended **30th June, 2025**, which show the state of the College's affairs during the period under review.

Principal Activities

The principal activities of the College continue to be:

Provision of quality technical and vocational education and training (TVET) in line with the Competency-Based Education and Training (CBET) framework.

Development and delivery of skill-based programs to equip trainees for gainful employment and entrepreneurship.

Engagement in research, innovation, and community service to foster socio-economic development in the surrounding communities.

Collaboration with industry stakeholders to align training with market needs and enhance employability of graduates.

Results

The results of the College for the year ended 30th June, 2025 are set out on **page 01** of this report. The College recorded steady growth in student enrollment, program diversification, and infrastructure development despite resource constraints, reflecting prudent management of finances and effective implementation of strategic objectives.

Council / Board of Governors

The members of the Board/Council who served during the year are shown on **page xii** of this report.

During the year: NO Board member retired/resigned.

The Board remained committed to its oversight role, ensuring that governance standards, accountability, and strategic planning were upheld.

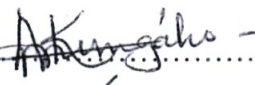
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Auditors

The Auditor-General is responsible for the statutory audit of the College in accordance with **Article 229 of the Constitution of Kenya** and the **Public Audit Act, 2015**.

For the year ended **30th June, 2025**, the Auditor-General nominated to carry out the audit of the College in accordance with **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

.....


KENNETH AGOI
Secretary to the Board/Council
Mungatsi Technical and Vocational College
Busia, Kenya
Date:

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

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Council members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The Council members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *entity's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*) Nothing has come to the attention of the Council members to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

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Approval of the financial statements

The *entity's* financial statements were approved by the Board on 15th August 2025 and signed on its behalf by:


.....
PROF. JUDITH ACHOKA

Chairperson of the Board/Council


.....
KENNETH AGOI

Accounting Officer/Principal

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mungatsi Technical and Vocational College set out on pages 1 to 55, 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 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 Mungatsi Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of the Financial Statements

1.1. The Statement of Changes in Net Assets

The statement of changes in net assets reflects net assets balance of Kshs.285,706,939 which includes Nil accumulated surplus balance and capital fund balance of Kshs.285,706,939. However, deficit for the year amount of Kshs.10,853,898 was erroneously disclosed under capital fund instead of accumulated surplus/deficit as required by reporting template prescribed by the Public Sector Accounting Standards Board.

Further, the statement reflects Nil opening accumulated surplus balance as at 01 July, 2024 while the previous year audited financial statements for the year ended 30 June, 2024 reflects a balance of Kshs.322,325,562. Additionally, the statement reflects opening net assets balance of Kshs.296,560,837 while previous year audited financial statements for the year ended 30 June, 2024 reflects a balance of Kshs.322,325,562, resulting to unexplained variance of Kshs.25,764,725.

In the circumstances, the accuracy and completeness of net assets balance of Kshs.285,706,939 could not be confirmed.

1.2. The Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents balance of Kshs.34,027 as at 30 June, 2025. However, the statement reflects changes in working capital of Kshs.12,763,425 which has not been supported by balances reflected in the statement of financial position. Further, the statement reflects net cash flows from operating activities of Kshs.8,677,708. However, the analysis of the amount was not disclosed by way of Note to the financial statements as required by reporting template.

Additionally, a hybrid of direct and indirect method of preparation of the statement of cash flows was applied contrary to the requirement of the reporting template prescribed by the Public Sector Accounting Standards Board.

In the circumstances, the accuracy and completeness of the respective balances reflected in the statement of cash flows could not be confirmed.

2. Lack of Depreciation Policy

The statement of financial performance reflects depreciation and amortization expense amounting to Kshs.19,526,080. However, the College had not developed a depreciation policy on property, plant and equipment.

In the circumstances, the accuracy and completeness of depreciation and amortization expense amounting to Kshs.19,526,080 could not be confirmed.

3. Unsupported of Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.34,027 in respect to cash and cash equivalents and as disclosed in Note 15 to the financial statements. However, certificate of bank balance and reconciliation statements was not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.34,027 could not be confirmed.

4. Unsupported Rendering of Services Revenue

The statement of financial performance and Note 7 to the financial statements reflect rendering of services-fees from students amounting to Kshs.4,560,306, while the schedule provided for indicates an amount of Kshs.3,826,123 resulting to unreconciled balance of Kshs.734,183.

Further, the College does not prepare and maintain subsidiary ledgers and general ledger for fees from students' income. The supporting schedule provided for audit does not contain dates, admission numbers, individual invoice numbers, invoice amounts, and course/study program of the student. The schedule merely shows students names and total income.

In the circumstances, the accuracy of rendering services revenue amounting to Kshs.4,560,306 could not be confirmed.

5. Unsupported Training Expenses

The statement of financial performance indicates use of goods and services amounting to Kshs.25,073,541 and as disclosed in Note 10 to the financial statements, which includes training expenses of Kshs.1,738,020. However, the supporting general ledgers for the training expenses were not provided for audit review.

In the circumstances, the accuracy and completeness of training expenses amounting to Kshs.1,738,020 could not be confirmed.

6. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 16 to the financial statements reflect current portion of receivables from exchange transactions balance of Kshs.3,736,917, while the schedule provided for audit indicate a balance of Kshs.3,772,592 resulting to unreconciled variance of Kshs.35,675. Further, the supporting ledger provided lacked key details including student admission or registration numbers to uniquely identify each student, invoiced amounts, payments made during the year and outstanding balances.

In addition, review of debtors aging analysis revealed student debtors amounting to Kshs.3,184,315 had been outstanding for more than twelve months and there was no evidence that Management made efforts to collect the outstanding debts.

In the circumstances, the accuracy, validity and full recoverability of current portion receivables from exchange transactions balance of Kshs.3,736,917 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.41,059,600 and Kshs.20,247,929 respectively, resulting to under-funding of Kshs.20,811,671 or 52% of the budget. Similarly, the College spent Kshs.36,189,559 against expenditure budget of Kshs.41,059,600 resulting to an under-expenditure of Kshs.4,870,041 or 12% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and programs 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

Unresolved Prior Year Matters

In the report for the previous year, issues were raised under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I**. However, although Management has indicated that some of the issues have been resolved under implementation status of Auditor-General's recommendations section of the financial statements, no evidence was provided for audit review indicating whether or not the issues had been resolved. Further, no justification has been provided for the delay in resolving the other issues.

In the circumstances, the issues remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Law on Ethnic Diversity

Review of payroll records revealed that out of the fifty-six (56) employees and seven (7) board members, forty-four (44) or 70% were from the dominant community. The board comprises of four (4) out of seven (7) or 57%, teaching staff thirty (30) out of forty-three (43) or 70%, and non-teaching staff ten (10) out of thirteen (13) or 77% were from the dominant community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment should employ more than one-third of its staff from the same ethnic community.

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

2. Long Outstanding Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.11,313,336 as disclosed in Note 21 to the financial statements. However, review of the supporting aging analysis and documents provided for audit revealed that the balance includes payables amounting to Kshs.4,353,117 that had been outstanding for more than one (1) year. The Management did not provide evidence of efforts made to settle the long outstanding payables.

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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

Inventories Management Control Weaknesses

The statement of financial position and as disclosed in Note 17 to the financial statements reflects Inventories balance of Kshs.136,480. However, physical verification of the inventories stores revealed that the College did not have adequate storage space for various items in the stores. Physical verification of the main store revealed inadequate shelves to store items which resulted in keeping them in boxes and some piled together without proper arrangement.

In the circumstances, the effectiveness of the internal controls on inventories management could not be confirmed

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 December, 2025

Appendix I

Unresolved Prior Year Audit Matters

Reference No. of the Auditor-General's Audit Report	Title of Audit Issue
	Report on the Financial Statements
1	Inaccuracy of Net Assets Balance
2	Inaccuracy of the Statement of Cash Flows
3	Misstatement of Transfers from National Government Entities
4	Misstatement of Employee Costs
5	Misstatement of Board Expenses
6	Misstatement of Cash and Cash Equivalents Balance
7	Misstatement of Trade and Other Payables Balance
8	Unsupported Rendering of Services - Fees from Students
9	Unsupported Current Portion of Receivables from Exchange Transactions
10	Unsupported Inventory Balance
11	Incorrect Disclosure on Valuation of Assets
12	Misstatement of Comparative Balances
	Emphasis of Matter
1	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Frequency of Board Meetings Held
2	Failure to Maintain a Properly Updated Noncurrent Assets Register
3	Non-Compliance with Law on Staff Ethnic Diversity
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Lack of Internal Audit Function and Audit Committee
2	Lack of Internal Controls on Information and Communication Technology
3	Lack of an Approved Staff Establishment

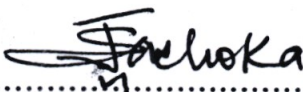
MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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

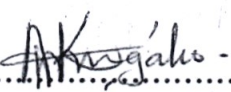
	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	38,111,198	41,093,361
		38,111,198	41,093,361
Revenue from Exchange transactions			
Rendering of services- fees from students	7	4,560,306	4,764,577
Sale of goods	8	175,352	145,203
Service income	9	9,000	787,500
Revenue from Exchange transactions		4,744,658	5,697,280
Total Revenue		42,855,856	46,790,641
Expenses			
Use of goods and services	10	25,073,541	12,833,999
Employee costs	11	6,753,257	12,692,606
Board /Council Expenses	12	1,700,000	1,558,283
Depreciation and amortization expense	13	19,526,080	19,190,100
Contracted services	14	651,350	480,000
Provision for bad and doubtful debts	23	5,526	31,843
Bank charges		-	28,356
Total Expenses		53,709,754	46,815,585
Net surplus/(deficit) for the year		(10,853,898)	(24,943.75)

(The notes set out on pages 09 to 41 form an integral part of the Annual Financial Statements).


The Financial Statements set out on pages 01 to 08 were signed by:



PROF. JUDITH ACHOKA
 Chairman of Council/Board



KENNETH AGOI
 Principal



CPA JAMES OPIYO
 Finance Officer

Date 21-11-2025

Date 21-11-2025

ICPAK No
 Date

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

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	34,027	406,665
Current portion of receivables from exchange transactions	16	3,736,917	3,184,315
Inventories	17	136,480	486,242
Total Current Assets		3,907,424	4,077,222
Non-Current Assets			
Property, plant, and equipment	18	291,005,220	309,671,350
Intangible assets	19	2,115,000	-
Biological Assets	20	75,000	-
Total Non-Current Assets		293,195,220	309,671,350
Total Assets (A)		297,102,644	313,748,572
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	11,313,336	4,352,117
Refundable deposits from customers	22	45,000	40,300
Current provisions	23	37,369	31,843
Total Current Liabilities		11,395,705	4,424,260
Total Liabilities (B)		11,395,705	4,424,260
Net Assets (A-B)		285,706,939	309,324,312
Accumulated Surplus		-	7,687,950
Capital Fund		285,706,939	301,676,662
Net Assets		285,706,939	309,364,612

The Financial Statements set out on pages 23 to 41 were signed by:

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

J Achoka
.....
PROF. JUDITH ACHOKA
Chairman of Council/Board

A. Kagaiho
.....
KENNETH AGOI
Principal

J. Opiyo
.....
CPA JAMES OPIYO
Finance Officer
ICPAK No

Date *21-11-2025*

Date *21-11-2025*

Date

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2023	-	-	296,585,781	296,585,781
Surplus/(deficit) for the year	-	-	(24,944)	(24,944)
At June 30, 2024	-	-	296,560,837	296,560,837
At July 1, 2024	-	-	296,560,837	296,560,837
Surplus/(deficit) for the year	-	-	(10,853,898)	(10,853,898)
At June 30, 2025	-	-	285,706,939	285,706,939

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	38,111,198	19,292,291
Rendering of services- fees from students	7	4,560,306	4,764,577
Sale of goods	8	175,352	145,203
Miscellaneous income	9	9,000	787,500
Total Receipts		42,855,856	24,989,571
Payments			
Use of goods and services	10	25,073,541	12,833,989
Employee costs	11	6,753,257	12,692,606
Board /Council Expenses	12	1,700,000	1,558,283
Contracted services	14	651,350	480,000
Bank charges		-	28,356
Total Payments		34,178,148	27,604,834
Cash Flows from operating activities		8,677,708	(2,615,263)
Decrease in inventory		349,762	(451,282)
Increase in debtors		(552,602)	21,424
Increase in payables		6,961,219	3,451,268
Net cashflow from operating activities		15,436,087	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(625,000)	(214,464)
increase refundable deposits		4,700	(24,500)
Increase in biological assets		(75,000)	
Increase in intangible assets		(2,350,000)	
Net cash flows used in investing activities		(3,045,300)	-
		12,390,787	
Cash flows from financing activities			
Change in working capital		12,763,425	-
Net Increase/(Decrease) in Cash and Cash equivalents		(372,638)	167,183
Cash and Cash equivalents at 1 JULY		406,665	239,472
Cash and Cash equivalents at 30 JUNE 2025		34,027	406,655

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-					
Receipts						
Transfers from other National Government entities	38,159,600	(-)	38,159,600	16,335,660	21,823,940	-57.19
Rendering of services- fees from students	2,700,000	-	2,700,000	3,736,917	1036917	38.40
Sale of goods	200,000	-	200,000	175,352	24,648	12.32
Total Receipts	41,059,600		41,059,600	20,247,929	22,885,505	55.74%
Payments						
Use of goods and services	27,239,600	-	27,239,600	24,995,752	2,243,849	8.24
Employee costs	8,220,000		8,220,000	6,753,257	1,466,743	17.84
Board /Council Expenses	2,120,000		2,120,000	1,700,000	420,000	19.81
Contracted services	480,000		480,000	651,350	171,350	35.70
Local travel	3,000,000	-	3,000,000	2,089,200	910,000	30.36
Total Expenditure Payments	41,059,600		41,059,600	36,189,559	5,211,942	12.69

Budget notes

1. Transfer from national Government were less because the Government failed to remit expected capitation, Scholarship and Helb.

19. Notes to the Financial Statements

1. General Information

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

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 judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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

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

	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 25.05.2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them 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.

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

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

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

Provisions are recognized when the *Entity* 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 *Entity* 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 *Entity* 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 *Entity* 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 *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

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

n) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity'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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation	7,474,425	7,121,925
Operational grant	-	1,000,000
HELB	5,214,551	5,641,356
CDF-BURSARY	397,000	2290500
SCHOLARSHIP	3,224,152	3,238,510
Total unconditional Grants	16,310,128	19,292,292
Conditional Grants amortised/ recognised in revenue		
Learning Facilities Grant	21,801,070	21,801,070
Other Organizational Grants	-	-
Total Government Grants and Subsidies	38,111,198	41,093,361

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department	38,136,792.72	-	-	38,136,792.72	41,093,361.05
Total	38,136,792	-	-	38,136,792.72	41,093,361.05

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7. Rendering of Services

Description	2024-2025 Kshs	2023-2024 Kshs
Tuition Fees	3,245,181	784,983
Personal emolument	200,240	18,500
Activity Fees	-	1000
Local travel	199,225	10,800
Repair and maintenance	-	7,870
Examination Fees	437,780	435,069
Medical fee	130,800	4,290
Library Fees	-	500
Electricity and water	-	1,200
Contingencies		350
Students' council	26,200	-
Registration Fees	193,980	159,400
Development	-	2,000
Caution money	45,000	40,300
Students ID	14,000	35,600
Computer fee	67,900	78,400
Owing fee	-	3,184,315
Total Revenue from The Rendering of Services	4,560,306	4,764,577

(This represents fees directly collected from students, its cash received from students within this financial year)

8. Sale of Goods

Description	2024-2025 Kshs	2023-2024 Kshs
Sale of Farm Produce	175,352	145,203
Total Revenue from Sale of Goods	175,352	145,203

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9. **Service income**

Description	2024-2025	2023-2024
	Kshs	Kshs
Income from sale of tender	9,000	-
Services concession income	-	787,500
Total other income	9,000	787,500

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10. Use of Goods and Services

Description		
Teaching and learning materials	267,775	2,388,020
Industrial attachment costs	251,000	-
Electricity	202,050	116,747
Water	-	13,300
Security	651,350	-
Professional and consultancy services	-	-
Subscriptions	240,000	11,200
Advertising	840,980	194,560
Examination fees	11,204,952	5,020,255
Bank charges	49,191	28,356
Refund to Helb	25,532	-
Travelling and accommodation	2,089,200	-
Admnistration	3,187,596	706,090
Insurance(students)	12,100	16,500
Students council	316,440	384,795
consumables	730,055	1,783,409
Postage	-	7,725
Printing and stationery	853,700	612,454
Registration	-	106,800
Sports	1,633,140	612,850
Production unit expence	153,910	750,894
Telephone expenses	-	26,000
Cleaning expences	296,550	27,000
Repairs and mantainance	126,000	11,600
Training expenses	1,738,020	-
PC allowances	204,000	43,800
Total good and services	25,073,541	12,833,989

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11. Employee Costs

Description	2024-2025 KShs	2023-2024 KShs
Salaries and wages	5,750,845	6,863,172
NSSF	780,480	515,760
NHIF	105,995	196,800
PAYE	59,297	-
HOUSING LEVY	49,140	-
NITA LEVY	7500	-
Local Travel		5,116,874
Employee Costs	6,753,257	12,692,606

12. Board/Council Expenses

Description	2024-2025 KShs	2023-2024 KShs
Chairman's Honoraria	120,000	162,000
Directors Emoluments	1,580,000	1,396,283
Total	1,700,000	1,558,283

13. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	19,291,080	19,190,100
Intangible assets	235,000	-
Total depreciation and amortization	19,526,080	19,190,100

14. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
WAPE SECURITY	651,000	480,000
Total contracted services	651,000	480,000

15. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	34,027	406,665
Total Cash and Cash Equivalents	34,027	406,665

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

Description	Account Number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1273839846	34,027	406,665
Equity Bank, etc.		-	-
Total		34,027	406,665

Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
Current Receivables		
Student Debtors	3,736,917	3,184,315
Total Current Receivables	3,736,917	3,184,315

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of total
Less than 1 year	552,602	14%	3,184,315	100%
Between 1- 2 years	3,184,315	86%		%
Total (a+b)	3,736,917	100%	3,184,315	100%

17. Inventories

Description	2024	2023
Consumable stores	136,480	486,242
Total Inventories at lower of Cost and Net Realizable Value	136,480	486,242

17.(a) Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	486,242	34,960
Closing balance	136,480	486,242

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18. Property, Plant and Equipment

Cost	Land Kshs	Buildings Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and equipment Kshs	Vehicle Kshs	TOTAL Kshs
Depreciation Rate		5%	10%	20%	5%	2%	
At 1 July 2023	7,600,000	75,600,000	2,362,400	869,300	300,000,000	-	386,431,700
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 30th June 2024	7,600,000	75,600,000	2,362,400	869,300	300,000,000	-	386,431,700
Additions			125,000	436,000	-	64,000	625,000
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
At 30th June 2025	7,600,000	75,600,000	2,487,400	1,305,300	300,000,000	64,000	387,056,700
Depreciation And Impairment							
At 30th JUNE 2023	-	11,340,000	708,720	521,580	45,000,000	-	57,570,300
Depreciation	-	3,780,000	236,240	173,860	15,000,000	-	19,190,000
At 30 Jun 2024		15,120,000	944,960	695,440	60,000,000	-	76,760,400
Depreciation	-	3,780,000	248,740	261,060	15,000,000	1,280	19,291,080
Disposals	-	-	-	-	-	-	-
At 30th Jun 2025 (Accumulated)	-	18,900,000	1,193,700	956,500	75,000,000	1,280	96,051,480
Net Book Values							
At 30th Jun 2024	7,600,000	60,480,000	1,417,390	173,860	240,000,000	-	309,671,350
At 30th Jun 2025	7,600,000	56,700,000	1,293,700	348,800	225,000,000	62,720	291,005,220

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

18 (a) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	7,600,000	-	7,600,000
Buildings	75,600,000	18,900,000	56,700,000
Plant And Machinery	300,000,000	75,000,000	125,000,000
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	1,305,300	956,600	348,700
Office Equipment, Furniture, And Fittings	64,000	1,280	62,720
Total	384,569,300	94,857,880	189,711,420

19. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
Additions	2,350,000	-
At end of the year	2,350,000	-
Amortization	235,000	-
NBV	2,115,000	-

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20. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Animals: Dairy Cattle, Pigs, Sheep	75,000	-
Total	75,000	-

(Dairy cattle, rabbits and)

21. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	7,818,046		4,353,117	
Fees paid in advance	56,135		-	
Salary deductions	1,850,455			
Other Payables	1,588,700			
Total Trade and Other Payables				
	11,313,336			
Ageing analysis:	Current 2024-2015	% of the Total	2023-2024	% of the Total
Under one year	6,960,219	61.52%	4,353,117	100
1-2 years	4,353,117	38.48%	-	
2-3 years	-	-%	-	-
Over 3 years	-	-%	-	-
Total (to tie to totals above)	11,313,336	100%	4,353,117	100

22. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Caution money	16,000		40,300	
Total Deposits	16,000		40,300	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	16,000	%	40,300	28.42%

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23. Current Provisions

Description	Leave provision	Bonus provision	Other provisions	Provision for doubtful debts	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year				31,843	31,843
Additional Provisions				5,526	5,526
Total Provisions				5,526	5,526

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Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30TH June 2025 by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time.. Other than NSSF the entity also has a defined contribution scheme operated. Pension Fund. Employees contribute while employers contribute of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

24. Payments received in advance.

2024-2025				
Fees received in advance	56,135			-
Others (Specify)	-			-
Total	56,135			-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	56,135	100%	-	0%
1-2 years	-	-%		%
2-3 years	-	-%		%
Over 3 years	-	-%		%
Total	56,135	100%		%

Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	41,093,361			
Receivables from non-exchange transactions	5,697,280			
Bank balances	406,665			
Total	46,383,976			
At 30 June 2025				
Receivables from exchange transactions	38,111,198			
Receivables from non-exchange transactions	4,744,658			
Bank balances	259,889			
Total	43,115,745			

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Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 3 months Kshs	Total Kshs
At 30 June 2024				
Trade Payables				4,352,117
Total				4,352,117
At 30 June 2025				4,352,117
Trade Payables				11,313,336
Total				11,313,336

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

Capital Risk Management

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

16. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

17. Events After The Reporting Period

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

18. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

19. Currency

The financial statements are presented in Kenya Shillings (Ksh.s) 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.

Issue/ Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>The statement of financial position reflects net assets balance of Kshs.309,364,612 which includes accumulated surplus of Kshs.7,687,950 and capital fund of Kshs.301,676,662. However, the statement of changes in net assets indicates accumulated surplus balance of Kshs.322,314,360 and Nil balance for capital funds. Further, the deficit for the year of Kshs.36,146 differs with the amount reflected in the statement of financial performance.</p> <p>In the circumstances, the accuracy and completeness of net assets balance of Kshs.309,364,612 could not be confirmed.</p>	<p>It was corrected and submitted to auditors</p>	<p>immediately</p>	<p>resolved</p>

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Issue/ Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>The statement of cash flows reflects a cash and cash equivalents balance of Kshs.406,655. However, the statement indicates purchase of property plant and equipment amounting to Kshs.214,464 which has not been supported.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.406,655 could not be confirmed.</p>	<p>Supportive documents provided to previous auditor</p>	<p>resolved</p>	<p>immediately</p>
<p>The statement of financial performance and Note 5 to the financial statements reflects transfers from other government entities amounting to Kshs.41,093,361 which include unconditional grants revenue of Kshs.19,292,291 and conditional grants in respect to learning facilities of Kshs.21,801,070. However, the supporting ledgers for unconditional</p>	<p>Unconditional grants in respect to the learning facilities was treated in the PPE as well as a revenue in the income statement.</p>	<p>resolved</p>	<p>immediately</p>

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Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>grants amount to Kshs.21,090,103 resulting in a variance of Kshs.1,797,812 which has not been reconciled. In addition, conditional grants in respect to learning facilities of Kshs.21,801,070 have not been supported by ledgers and commitment documents of receipts.</p>			
<p>4 Misstatement of Cash and Cash Equivalents Balance</p> <p>The statement of financial position reflects an amount of Kshs.406,665 in respect to cash and cash equivalents and as disclosed in Note 15 to the financial statements. However, the cash book indicates a balance of Kshs.438,021 resulting in an unexplained and unreconciled variance of Kshs.31,356.</p>	<p>The variance were in respect to bank charges that were reconciled.</p>	<p>resolved</p>	<p>immediately</p>
<p>Note 21 to the financial statements in respect to cash generated from operations indicates a reconciliation of the deficit for the year of</p>			

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Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Kshs.19,190,100 and net cash flows from operating activities of Kshs.22,593,010. However, the amount reconciled differ with the deficit of Kshs.24,944 and net cash flows from operating activities of Kshs.381,647.</p>			
<p>The statement of financial performance and Note 6 to the financial statements reflects rendering of services revenue amounting to Kshs.4,764,577 which includes accrued fees of Kshs.3,184,315. However, the accrued fees have not been supported by any accountable document. In addition, the accrued fees should not be recognized as revenue in accordance with IPSAS accrual framework since the revenue does not relate to current year.</p>	<p>Schedule of accrued fees was provided</p>	<p>resolved</p>	<p>immediately</p>

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Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Further, the statement of financial position and in Note 15 to the financial statements reflects receivables from exchange transactions balance of Kshs.3,184,315. However, the supporting general ledgers were not provided for audit review</p>			
<p>The statement of financial position and Note 16 to the financial statements reflects inventory balance of Kshs.486,242. However, the stock ledger cards were not provided to support the balance. Further, the annual stock-take or Board of survey exercise was not conducted as at 30 June, 2024 to confirm the existence of the balance.</p> <p>In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards for Supreme Audit</p>	<p>Documents to support inventory balances were provided</p>	<p>resolved</p>	<p>immediately</p>

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Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Institutions (ISSAIs). I am independent of Mungatsi Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>			
<p>2. Incorrect Disclosure on Valuation of Assets</p> <p>Note 17 to the financial statements in respect to valuation of property, plant and equipment states that College land and buildings were valued as per the National Liabilities and Management Policy Guidelines, 2020. However, the property, plant</p>	<p>The process of valuing assets has been initiated</p>	<p>Not resolved</p>	<p>1 year</p>

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Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>and equipment movement schedule disclosed in the financial statements reveals that assets were not value during the year under review making the disclosure inaccurate.</p> <p>In the circumstances, the reliability of the financial statements could not be confirmed.</p> <p>3.</p>			
<p>The statement of financial performance and Note 6 to the financial statements reflects transfers from other national government entities comparative amount of Kshs.29,389,670. However, the amount differs with Kshs.29,476,270 disclosed in previous financial year 2022/2023 by an unexplained variance of Kshs.86,600. In addition, Note 9 to the financial statements reflects use of goods and services comparative amount of Kshs.6,821,958. The amount differs with Kshs.4,762,838</p>	<p>Schedule to support was provided</p>	<p>resolved</p>	<p>immediate</p>

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Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>disclosed in the previous year resulting in an unreconciled variance of Kshs.2,059,120.</p> <p>Further, the statement of changes in net assets reflects a comparative balance of Kshs.322,350,506 in respect to the net assets, which differs with Kshs.331,375,926 disclosed in the previous year financial statements resulting in an unreconciled variance of Kshs.9,025,420.</p> <p>In the circumstances, the accuracy and completeness of the financial statements could not be confirmed</p>			
<p>Note 11 to the financial statements reflects Kshs.1,558,283 in respect to remuneration of directors. However, no documentary evidence was not provided to confirm that the Board sitting allowances were approved by the Board of Governors and the Cabinet Secretary in accordance with Section 17 of the Technical and</p>	<p>Board sitting allowance schedule was provided to previous auditors</p>	<p>resolved</p>	<p>immediately</p>

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Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>Vocational Education and Training Act, 2013 which stipulates that Members of a Board of Governors shall be paid in respect of their services such remuneration or allowances as the Board of Governors shall, with the approval of the Cabinet Secretary, determine.</p> <p>Further, there was no annual board evaluation of its performance at the end of the period as required by Mwongozo guidelines.</p> <p>In the circumstances, the Board was in breach of the law.</p>			
<p>During the year under review, the Board held a meeting on 12 September, 2023. This is contrary to circular No. OP/CAB.9/1A dated 11 March 2020 on Management of State Corporations that requires the board meetings to be restricted to a minimum of four (4) and capped to a maximum of six for each financial</p>	<p>The board held two meetings in the year because first tenor period had expired.</p>	<p>resolved</p>	<p>immediately</p>

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Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>year or as may be specified in the respective enabling legal instrument.</p> <p>In the circumstances, the Board was in breach of the law.</p> <p>Review of the fixed assets register revealed lack of dates of acquisition, suppliers, assets descriptions, costs, accumulated depreciation, depreciation for the year, net book values, location and condition of the assets in accordance with Regulation 143(1) of the Public Finance Management Regulations, 2015 states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.</p> <p>In the circumstances, the Management was in breach of the law.</p>			

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Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>During the year under review, the college had 39 staff as confirmed by the payroll. However, the staff establishment provided for audit review had not been approved and it indicates the existence of thirty-three (33) positions against in-post total of nine (9) members of staff resulting in a shortage of twenty-four (24) employees. The two documents are therefore not reconciling and the correct staff establishment could not be confirmed.</p> <p>In the circumstances, the college was not in compliance with the Ministry of Education: State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 which requires TVET institutions to develop a staff establishment with clear justifications for consideration and approval by the Public Service Commission.</p>	<p>Staff establishment has been approved by the board.</p> <p>Shortage of staff is due to financial constraints incase of any stability more will be employed</p>	<p>Resolved</p> <p>Not yet</p>	<p>Immediately</p> <p>5years</p>

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Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
<p>Review of payroll for the month of June, 2024 revealed that out of the total thirty-nine (39) employees and seven (7) Board members, thirty-three (33) or 72% were from the dominant community contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, Management was in breach of the law</p> <p>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</p>	<p>Compliance to ethical community is on board with the new recruitment.</p>	<p>Not resolved</p>	<p>Subsequent recruitment</p>

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Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>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.</p>			
<p>During the year under review, the College did not have an internal audit function to perform risk assessment audits, processes and evaluation of operational effectiveness through reviews of the internal controls, thus risks may not have been identified and mitigated.</p> <p>In the circumstances, the effectiveness of the College's internal controls and governance could not be confirmed.</p>	<p>Internal audit function has been establishe</p>	<p>resolved</p>	<p>immediately</p>
<p>. Lack of Information and Communication Technology Internal Controls</p>	<p>ICT Policy available, ICT steering committee is in the process of establishment</p>	<p>Not yet solved</p>	<p>1year</p>

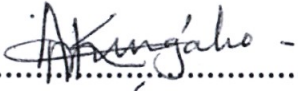
MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
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Issue/ Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Verification of documents provided revealed that the College does not have an approved policy on Information and Communications Technology (ICT) and a disaster recovery plan. Further, there was no Information Technology strategic or steering committees for implementation of IT governance to safeguard its assets and there was no IT strategic plan. In addition, the college relies on manual system for record keeping with no accounting system to help in generating reports.</p> <p>In the circumstances, the College is prone to possible loss of critical data and information in case of a disaster.</p> <p>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</p>	<p>MIS information system has been established.</p>	<p>resolved</p>	<p>6month.</p>

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE

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

Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
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.			

(i) 

Name
Accounting Officer
(Enter title of Head of entity)

Date 21-11-2025

MUNGATSI TECHNICAL AND VOCATIONAL COLLEGE
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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....STATE COOPERATION

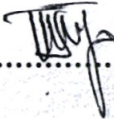
Name of beneficiary entity... MUNGATSI TECH TVOC.....MUNGATSI TVC

Confirmation of amounts received by MUNGATSI TVC as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	29.08.2024	135,835.	-	135,835	RECEIVED
	20.9.2024	3,224,152.	-	3,224,152	RECEIVED
	15.10.2024	95,000	-	95,000	RECEIVED
	4.11.2024	4,332,413	-	4,332,413	RECEIVED
	12.01.2025	387,390	-	387,390	RECEIVED
	23.02.2025	7,474,425	-	7,475,425	RECEIVED
	15.03.2025	263045.	-	263045	RECEIVED
Total					

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

Head of Accounts Department - Disbursing Entity:

Name JAMES OPINO Sign  Date 21/11/2025

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....