

REPUBLIC OF KENYA



REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**KIHARU TECHNICAL AND
VOCATIONAL COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2025

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 MAR 2026

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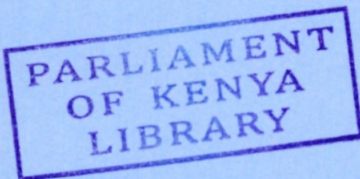
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PARTY WIND**

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KIHARU 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)

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

Kiharu Technical and Vocational College
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1. Acronyms and Definition of Key Terms

A. Acronyms

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
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
BOG	Board of Governors
KTVC	Kiharu Technical & Vocational College
PSC	Public Service Commission
HOD	Head of Department
OHS	Occupational Health and Safety
ICT	Information and Communication Technology
CDACC	Curriculum Development, Assessment and Certification Board
NITA	National Industrial Training Authority
CBET	Competency Based Education and Training

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key College Information and Management

(a) Background information

Kiharu Technical and Vocational College was established under Section 20(1) of the TVET Act of 2013 and was officially registered on 9th October 2023.

The college is situated in Kiambu Location, Kiambu Division, within Murang'a East Sub-County, Kiharu Constituency, Murang'a County. The land for the institution was generously donated by the local community.

The foundation stone was laid by Hon. Ndindi Nyoro, MP for Kiharu, on 30th September 2019. Construction of the college buildings began on 25th November 2021, and by 2023, the infrastructure was completed.

The college admitted its first cohort of Trainees in September 2023, and currently has a Trainees population of 1,698.

(b) Principal Activities

Kiharu Technical and Vocational College (KTVC) is a national public tertiary institution under the Ministry of Education, operating within the framework of the Basic Education Act, 2013 and the TVET Act, 2013 of the Laws of Kenya. The college functions in accordance with established government policies, procedures, and official circulars.

KTVC is governed by a Board of Governors (BOG) appointed by the Cabinet Secretary for Education. The Principal serves as the Chief Executive Officer (CEO) of the institution and is also the secretary to the BOG. The day-to-day management of the college is supported by the Deputy Principal, Registrar, Dean of Trainees, and various Heads of Departments (HODs).

The college encourages Trainees participation in institutional governance through a recognized Trainees association, led by an elected Trainees board.

KTVC has been designated as a Centre of Excellence in Building Technology. Although the institution is still awaiting the delivery of modern tools and equipment in ICT, Building Technology, Mechanical Engineering, Hospitality, Cosmetology, Electrical & Electronic Engineering and Business and liberal studies, it remains committed to advancing technological training for youth in Murang'a County.

The primary mandate of the college is to provide high-quality technical, vocational, and entrepreneurial training that equips trainees with the necessary skills to thrive in the dynamic job market and foster self-reliance. This is embodied in the college's motto: "Skills to Equip and Empower for the World of Work."

KTVC offers programs at various levels including Diploma (L6), Certificate (L5), Craft (L4), Artisan (L3), and Short Courses—particularly for individual's already in practice but without formal certification. The institution embraces inclusive education, with no age limit for admission, and offers flexible learning options such as regular, short courses, and school-based training.

KTVC emphasizes a holistic training approach that develops trainees intellectually, emotionally, and spiritually, preparing them to be impactful in their professions and communities across generations.

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Vision Statement

To empower and equip trainees by imparting skills for the world of work.

Mission Statement

To provide quality market-driven training, research, innovation and entrepreneurship for the dynamic labor market and economic development.

Core Objectives

1. To deliver industry-relevant and competency-based training.
2. To promote innovation, creativity, and problem-solving skills.
3. To develop skilled professionals equipped for both employment and self-employment.
4. To foster inclusivity and lifelong learning opportunities for all.
5. To enhance collaboration with stakeholders to improve training quality and relevance.
6. To ensure holistic development of trainees—mentally, emotionally, and ethically.

(c) Key Management

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

- Board of Governors/ Management.
- Accounting officer/ Principal.
- Heads of Departments.
- Heads of sections.

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal/Sec BoG	Dr. Daniel K. Wahungu, PhD
2.	Deputy Principal Administration and Academics	Mr. Nahason Muriuki
3.	Registrar	Mr Peter Njeru
4.	Dean of Trainees/HoD- Electrical and Electronics	Mr. Elvis Onacho
5.	Head of Finance	CPA Hannah Mwangi
6.	HoD – Business Studies	Mrs. Phyllis Kinanu M'marete
7.	Industry Liaison Officer	Ms. Josephine Manyeki
8.	HoD Cosmetology	Ms Ann Maina
9.	HoD – Hospitality and Tourism	Ms. Beatrice Kathambi
10.	HoD- Building and Civil Engineering	Ms. Musavini A. Robai
11.	HoD- Mechanical Engineering	Mr. Gilbert Onsari
12.	HoD- Computing and Informatics/IQA	Ms. Tabitha Ncurai

Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Kiharu Technical and Vocational College (KTVC) has established structured fiduciary oversight mechanisms to ensure transparency, accountability, compliance, and effective resource utilization across all its operations. These arrangements are implemented through various committees and oversight bodies as outlined below:

1. Audit and Risk Committee

This committee provides independent oversight on internal controls, risk management, and governance practices. Its responsibilities include:

- Reviewing internal and external audit reports and ensuring timely implementation of recommendations.
- Monitoring financial risks and ensuring compliance with applicable laws, regulations, and government circulars.
- Overseeing the effectiveness of internal control systems and advising management accordingly.

2. Finance and Operations Committee

This committee is responsible for overseeing the financial and operational aspects of the institution. Its core functions include:

- Reviewing and recommending annual budgets, procurement plans, and financial reports to the Board of Governors.
- Monitoring the implementation of financial policies, resource mobilization, and expenditure control.
- Evaluating infrastructure development and operational efficiency of institutional activities.

3. Academic Committee

The Academic Committee is tasked with overseeing academic standards, curriculum implementation, and Trainees performance. Its roles include:

- Reviewing and approving academic programs and timetables.
- Monitoring training delivery to ensure quality and relevance to industry demands.
- Supervising assessment, examinations, and certification processes in alignment with TVET-CDACC guidelines.

4. Development Partner Oversight Activities

KTVC engages with government agencies, industry stakeholders, and development partners who support institutional growth through:

- Monitoring and evaluating project-based funding and technical assistance.
- Participating in joint reviews, audits, and progress assessments for accountability.
- Supporting capacity-building initiatives and infrastructure development.

5. Other Oversight Activities

- **Board of Governors (BOG):** Provides overall strategic direction, policy oversight, and governance of the institution.
- **Internal Audit Unit:** Conducts periodic reviews of financial and operational processes to ensure compliance and integrity.
- **Ministry of Education Oversight:** Through inspections, audits, and performance reviews, the Ministry ensures adherence to national education and training standards.
- **Trainees Governance:** The elected Trainees association offers feedback and participates in decision-making processes to promote transparency and accountability at the trainee level.

(f) **College Headquarters**
P.O. Box 29-10200
Kiria-ini Murang'a Road
Murang'a, Kenya

(g) **College Contacts**
Telephone :(254) 720-657-630
E-mail: kiharutvc@gmail.com
Website: www.kiharutvc.ac.ke



(h) **College Bankers**
KCB Bank
Murang'a Branch.
P.O. Box 159-10200.
Murang'a, Kenya

Other Commercial Banks
Equity Bank Ltd
Murang'a Branch.
P.O. Box 1060-10200.
Murang'a, Kenya


(i) **Independent Auditors**
Auditor-General
Office of the Auditor-General
Anniversary Towers, Institute Way
P.O. Box 30084-00100
Nairobi, Kenya

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


3. The Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Hon. Gerishon Nyagia Reuben Chair of the Board of Governors	<p>Hon Gerishon Nyagia Rueben, born in 1956, holds a Bachelor of Education Science from Kenyatta University, Diploma in Education Management KEMI, Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. He has also attended various managerial trainings/workshops programs. Hon Nyagia is currently working with Murang'a County Government as County Committee member (CEC) Education and Technical Training. He has previously served as school principal in various secondary schools in Murang'a county, Chairman of Murang'a Secondary Schools Heads Association, ACK Diocese of Mt. Kenya Central Education Department and Advisory Committee on Education Murang'a County. Vice chairperson Abadare Region Secondary Schools Heads Association and Murang'a County Education Board. Current age 68.</p>
2.	 Kamina Rosaline Njoki Executive BOG Member	<p>Ms. Rosaline Kamina, born in 1962, holds Masters of Education (Special Education) Bachelor's Degree in Education (Special Education) from Kenyatta University. Diploma in Special Education (HI) from Kenya Institute of Special Education. Has over thirty nine(39) years professional experience, accumulated over the period working with various education institutes and Government agencies as a member of the Board of Directors Murang'a Water and Sanitation Company Limited, Senior Executive Officer KNUT Headquarters, Executive Secretary KNUT Murang'a, KNUT Women representative Murang'a North, Murang'a Education Assessment and Resource Center as assessment teacher, Murang'a school for the hearing impaired as assistant teacher, Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. Current age 62.</p>



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<p>3.</p>	 <p>Prof. Mohamed Karama Non-Executive BOG Member</p>	<p>Prof. Mohamed Karama, born in 1952, holds a PhD in Public Health and Epidemiology from Kenyatta University, Master's degree in Public Health and Epidemiology from Nagasaki University Japan, Higher Diploma in Environmental health sciences from Nairobi University, Diploma in Public Health from Medical Training College, Certificate in Computer Operations, Water Engineering Techniques College, He has acquired mid-level management in immunization programmes from KEPI and Environmental Health and Malaria Control Techniques from WHO Training Centre (Nigeria). He is fully conversant with institution governance matters having worked as Ag. Vice Chancellor and Deputy Vice Chancellor Umma University. Head of Public and Health Systems Research Program, Principal Research Officer, Chief Public Health Officer, Senior Public Health Officer, Public Health Officer 1 at KEMRI. Public health Officer at the Ministry of Health. Have over fifty (50) years professional experience, accumulated over the period working with various Education Institutes, NGOs and Government agencies having served as a member of Kenya Medical Research Institute Publications Committee and African Medical Research Foundation (AMREF) Scientific committee. He has a vast leadership experience gained from various organisations like AMREF, CPHR, KEMRI and Washington University. He has held various positions which includes mentorship and postgraduate supervision and examination, Consultant-Management, Resource mobilization, Teaching and academic related functions Currently is the Ag. Vice-Chancellor Umma University. Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. Current age 73.</p>
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<p>4.</p>	 <p>CPA Muku Francis Gicheha Non-Executive BOG Member</p>	<p>CPA Muku Francis Gicheha, born in 1982, holds Masters of Business Administration from UoN, Bachelor’s degree in Business Administration (Accounting Option) from Kenya Methodist University, Certified Public Accountant (CPA K) and Advanced Certificate of Education (U.A.C.E) from Bugema Adventist College - Kampala. He has vast experience with Accounting, Taxation, Consultancy and Advisory Services. He is currently working with Ultra Electric Ltd. As the General manager. Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. Current age 43.</p>
<p>5.</p>	 <p>Joan Gatwiri M Non-Executive BOG Member</p>	<p>Ms. Joan Gatwiri M, born in 1992. Holds a Degree in Mass communication and Journalism from Mount Kenya University. Diploma in Mass communication and Journalism, East African School of Media Studies. Certificate in Kenyan Sign Language, Kenya Institute of Special Education and a Certificate in Computer Packages, Kenya Institute of Open Learning Have over nine (9) years professional experience, accumulated over the period working with various agencies as a merchandiser and team leader. Currently working as a Financial Advisor with ICEA Lion Group. Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. Current age 33.</p>
<p>6.</p>	 <p>Egn. Peter Kariuki Non-Executive BOG Member</p>	<p>Engineer Peter Kariuki born in 1986 holds a Bachelor of Science in Electrical and Electronic Engineering from Jomo Kenyatta University of Agriculture and Technology. Beyond his professional endeavors, he actively engages in community development initiative, as he serves as a Board Member Murang’a Level 5 Hospital (Chairperson, Committee Finance, Human Resource and Institutional development) and St. Vincent Maragi Secondary School (Chairperson Academic, Environmental and Quality Standards). He has an extensive career spanning almost 7 years in both public and private Sector. Being a member of Engineers Board of Kenya (EBK). He is an avid</p>

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		<p>reader and has vast knowledge and skills imparted through training and seminars attended at KEMI, CDMIS, HOST AND RIGGING, E-SUMMIT among others. Currently holding a position as Program Officer at the Intergovernmental Relations Technical Committee (IGRTC). Appointed to the Board of Kiharu Technical and Vocational College in 3rd July 2024. Current age 39.</p>
<p>7.</p>	 <p>Shem Kihara Non-Executive BOG Member</p>	<p>Mr. Shem Kihara, born in 1968, holds a Bachelor's degree in Agricultural Engineering (upper second class) from Egerton College, Postgraduate diploma in technical education from Kenya Technical Trainers College, Masters of Business Administration degree (HRM option) from Kenyatta College. Currently pursuing a PhD in Business Administration (HRM specialization) at the College of Nairobi. He is fully conversant with institution governance matters having worked as a senior teacher and a lecturer in various institutions which includes College of Nairobi (part time lecturer), Mathenge Institute of Technology, Giakanja High School (HOD careers), Moi Nyeri Complex Secondary School, He also has held various positions which includes CU patron, Consultant-Management, Human Resource and Careers, Chairman-development committee Full Gospel Churches of Kenya. Currently a part time lecturer at the College of Nairobi and the Director Nyeri Fountain Kindergarten. Current age 57.</p>
<p>8.</p>	 <p>Charles Theuri Nyota County Director TVET, Representative of Principal Secretary</p>	<p>He was born in 1970 and holds Masters in Computer Science.</p>

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9.	 <p>Dr. Daniel K. Wahungu Principal /Secretary BoG</p>	<p>Dr. Daniel K. Wahungu PhD, born in 1970, holds a PhD in Sociology of Education and Policy Studies from Kenyatta University, Masters in Education from Kenyatta University, Bachelor of Arts from University of Nairobi and Post graduate Diploma in Education of Kenyatta University, he has enormous experience in teaching and management having worked with various institutions which includes Thika Technical Training Institute and Karima Girls High School Currently he is the Principal of Kiharu Technical and Vocational College and Secretary BoG. Current age 55.</p>
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4. Key Management Team

SN.	Passport-Size Photo	Name, and Key Profession	Main area of Responsibility
1.		Dr. Daniel K. Wahungu, PhD	Principal /Accounting Officer/ Secretary BoG
2.		Mr. Nahason G. Muriuki MSc. Information System BeD Sc.	Deputises the Principal and in administration and finance, in charge of academic management and curriculum implementation
3.		CPA Hannah Mwangi CPA K. Bcom (Finance Option)	Finance Officer
4.		Mr. Peter Njeru HND in Electrical and Electronics Engineering	Registrar
5.		Mr. Elvis Onacho Diploma in Electrical and Electronic Engineering (power option)	Dean of Trainees /HoD- Electrical and Electronics
6.		Ms. Tabitha Ncurai Diploma in Technical Education (Computer Studies)	HoD- Computing and Informatics/Monitoring and Evaluation

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7.		Mrs. Phyllis Kinanu M'marete MBA-Strategic Management and Minor in Marketing Management Bcom-Marketing Bsc-Chemistry	HoD – Business Studies
8.		Ms. Beatrice Kathambi Diploma in Food and Beverage production, Sales and Service Management.	HoD – Hospitality and Tourism
9.		Ms. Ann Maina Diploma in Hairdressing and Beauty Therapy	HoD – HOD Cosmetology
10.		Musavini A. Robai. BeD TEC- Building and Civil Technology	HoD- Building and Civil Engineering
11.		Mr. Gilbert Onsare Nyamberi HND Automotive Engineering	HoD Mechanical Engineering

5. Chairman's Statement

On behalf of the Board of Governors (BOG) of Kiharu Technical and Vocational College (KTVC), I am pleased to present this Chairman's Statement for the year under review. The period marked a significant chapter in the history of the institution as we laid the foundational blocks for a progressive and future-focused technical college dedicated to transforming lives through skills-based education.

Key Activities and Achievements

The year saw the operationalization of the college following its official registration on 9th October 2023. We successfully admitted our first cohort of Trainees in September 2023, with the current population reaching 1,600 trainees. This milestone affirms the growing demand for accessible and practical technical education in Murang'a County and the country at large.

We continued to implement government policies in line with the TVET Act of 2013 and the Basic Education Act of 2013, ensuring full compliance with education and training standards. The Board, working with the college management, facilitated the recruitment of qualified academic and non-academic Trainers, approved academic programs, and supported the establishment of critical administrative structures.

KTVC was designated as a Centre of Excellence in Building Technology, which positions the college as a key institution in delivering technical skills aligned to national development priorities. Although delivery of modern equipment is still underway, we remain committed to building capacity in ICT hub, Mechanical and Automotive, Electrical & Electronic Engineering, Building and Civil Engineering, Hospitality and Business and Liberal studies.

Through internal stakeholder engagement, we established systems of governance and fiduciary oversight, including functional committees such as the Audit and Risk Committee, Finance and Operations Committee, and the Academic Committee. These structures are playing a crucial role in ensuring accountability, prudent resource utilization, and academic integrity.

Challenges Faced

As a newly established institution, KTVC faced several challenges. The most pressing have been:

- **Inadequate training equipment**, especially in technical departments, which has limited the full rollout of practical training.
- **Budget constraints**, affecting infrastructure expansion, ICT integration, and Trainers development.
- **Delays in disbursement** of scholarship and development funding.
- **Limited accommodation and welfare facilities** for the growing Trainees population.

These challenges, however, have not deterred us. The management, with support from the Board, is actively engaging with relevant government agencies, development partners, and the local community to address these issues progressively.

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Way Forward and Outlook

Looking ahead, the Board is committed to steering the college toward becoming a national leader in technical and vocational training. Our immediate priorities include:

- Fast-tracking the acquisition of modern equipment and tools to enhance the quality of practical training.
- Strengthening partnerships with industry players for curriculum support, industrial attachment, and graduate absorption.
- Enhancing infrastructure development, including hostels, workshops, and digital learning facilities.
- Promoting inclusive and lifelong learning, with flexible programs targeting youth, adults, and practicing artisans.
- Supporting a competent and motivated workforce through training, performance reviews, and Trainers welfare programs.

We envision a future where KTVC becomes a transformative hub not only for Murang'a County but for the entire nation. With the continued support of the Ministry of Education, the community, Trainers, Trainees, and other stakeholders, I am confident that this vision will be realized.

Let me take this opportunity to sincerely thank the Board of Governors, the Principal and his management team, Trainers, trainees, and all stakeholders for their dedication and cooperation throughout the year.

Together, we are building a strong institution that is truly empowering the next generation through skills.



Hon. Gerishon Nyagia Reuben
Chairperson Board of Governors

Date 02/12/2025

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6. Report of the Principal

It gives me great pleasure to present the Principal's Report for the period under review. This report outlines the key developments, achievements, challenges, and outlook for Kiharu Technical and Vocational College (KTVC) during its foundational year of operations. As the inaugural year of our institution, 2023/2024 marked the beginning of a long journey in transforming lives through quality technical education.

Institutional Development and Governance

Kiharu Technical and Vocational College was officially registered under the TVET Act 2013 on 9th October 2023. Following this milestone, the college admitted its first cohort of Trainees in September 2023, with the current enrollment standing at 1,600 trainees across various technical programs.

The governance structure of the college has been effectively operationalized, with the Board of Governors (BOG) providing oversight and strategic leadership. The institution has also put in place functional management units, including the offices of the Deputy Principal administrations, Registrar, Dean of Trainees, and Heads of Departments. These units have played an integral role in the smooth running of academic and administrative operations.

A Trainees Association was established to ensure Trainees participation in governance and enhance accountability and representation in college affairs.

Academic Progress and Training Activities

KTVC is proud to be designated a Centre of Excellence in Building Technology, a key area that aligns with the national Big 4 Agenda and Kenya Vision 2030. In addition to Building Technology, the college offers programs in:

- Electrical and Electronic Engineering
- Information Communication Technology (ICT)
- Hospitality
- Building and Civil technology
- Business and Liberal Studies
- Automotive and Mechanical Engineering

Programs are delivered at Diploma (L6), Certificate (L5), Craft (L4), Artisan (L3), and Skills Upgrade Courses, catering to both fresh trainees and experienced individuals without formal certification. We have embraced an inclusive admission policy with no age limit, and learning is offered through regular, short courses, and school-based modalities.

Despite the commendable academic progress, the college continues to face constraints in fully implementing Competency-Based Education and Training (CBET) due to limited access to modern tools and equipment, especially in technical workshops.

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Infrastructure and Facilities

Construction of the core institutional infrastructure was completed in early 2023, thanks to the support of the local community and the Ministry of Education. The college currently boasts:

- Administrative offices
- Classrooms and temporary workshops
- Tuition block
- A developing ICT lab

However, the lack of fully equipped workshops remains a critical gap. Efforts are ongoing to procure and install modern equipment for key departments. We are also actively engaging stakeholders to support the development of hostels, additional workshops, and resource centers.

Human Resource and Trainers Welfare

The college has recruited a team of qualified and committed teaching and non-teaching Trainers. Efforts are underway to build Trainers capacity through continuous professional development, mentorship, and performance appraisals.

We appreciate the support from the Ministry of Education State department of TVET and Public Service Commission (PSC) for deploying key personnel and facilitating our operational start-up.

Financial Performance Overview

As a new institution, KTVC has operated on a modest budget primarily supported by:

- Government grants
- Development funding from the Ministry of Education
- Fees from enrolled trainees

The college has maintained prudent financial management practices through the oversight of the Finance and Operations Committee and the Internal Audit Unit. All financial operations are conducted in compliance with the Public Finance Management Act and relevant Treasury circulars.

Key financial challenges include:

- Delays in disbursement of scholarship funds
- Inadequate funding for infrastructure expansion and equipment procurement
- Rising operational costs due to increased Trainees intake

We continue to explore partnerships with development agencies and local stakeholders to diversify our resource base.

Challenges Encountered

- Inadequate training equipment for technical programs
- Limited infrastructure to support expanding enrollment
- Budgetary constraints affecting operations and development
- Training gaps in certain specialized technical areas
- Incomplete ICT integration in teaching and administration

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Despite these challenges, our Trainers and Trainees have shown tremendous resilience and the support from the BOG and Ministry of Education remains strong.

Future Outlook

Looking forward, our priorities include:

- Full implementation of CBET/CDACC modularization across all programs
- Acquisition and installation of state-of-the-art training equipment
- Expansion of physical infrastructure including hostels and workshops
- Integration of digital learning tools and management systems
- Strengthening of industry linkages and alumni relations
- Enhancing Trainers development and welfare programs

KTVC is on a firm path to becoming a model institution in technical and vocational training. Our commitment is to produce graduates who are skilled, ethical, and ready to contribute meaningfully to national development.

In conclusion, I express my sincere gratitude to the Board of Governors, the Ministry of Education, our dedicated Trainers, Trainees, parents, and community members for their continued support. Together, we are building an institution that transforms potential into progress.



Dr. Daniel K. Wahungu, PhD
Principal / Secretary BoG
Date: 02/12/2025

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7. Statement of Performance against Predetermined Objectives

In accordance with Section 81(2)(f) of the Public Finance Management Act, 2012, Kiharu Technical and Vocational College (Kiharu TVC) presents its performance against predetermined objectives for the financial year 2024/2025. The College's strategic focus for the FY 2025–2026 period is guided by its Strategic Plan, which is anchored on seven strategic pillars aimed at fulfilling its mandate of providing quality technical and vocational education and training.

Strategic Framework

The following are the seven strategic pillars that inform the institution's planning, implementation, and performance monitoring processes:

1. Quality Training and Curriculum Development
2. Infrastructure and Facilities Development
3. ICT Integration and Innovation
4. Resource Mobilization and Financial Sustainability
5. Trainees Support Services and Welfare
6. Human Resource Development and Management
7. Governance, Leadership, and Institutional Management

The institution develops its Annual Work Plans (AWPs) based on the above strategic pillars. Performance is assessed quarterly, and cumulative achievements are reviewed annually. Below is a summary of the performance for the FY 2024/2025 across the strategic pillars:

Strategic Pillar	Objective	Key Performance Indicators(KPIs)	Activities	Achievements (FY 2024/2025)
1. Quality Training and Curriculum Development.	Enhance quality and relevance of training programs	- No. of TVET-CBET programs developed - Trainees competency assessment pass rates	- Review & development of TVET-CBET aligned curricula - Instructor training on new curriculum	35 programs reviewed, 4 new TVET-CBET curricula developed; Trainees pass rate improved from 78% to 85%
2. Infrastructure and Facilities Development.	Expand and modernize training infrastructure	- No. of new workshops/labs constructed - Facility utilization rates	- Construction of automotive and ICT labs - Maintenance of existing classrooms and workshops	1 lab set up ; utilization rate increased from 60% to 75%
3. ICT Integration and Innovation	Promote e-learning and digitalization	- No. of courses digitized - No. of Trainees using e-learning platforms	- Development of LMS - Trainers training on digital content development	Digitization of courses; over 500 Trainees actively using e-learning platform

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4. Resource Mobilization	Increase funding and optimize use of financial resources	- % increase in internally generated revenue - Number of strategic partnerships formed	- Launch of income-generating activities (e.g., short courses, consultancy) - Partnership building	IGU increased by 20%; 1 new partnership with education sector and established
5. Trainees Support and Welfare	Enhance Trainees learning environment and support mechanisms	- Trainees satisfaction rate - No. of Trainees accessing guidance and counseling services	- Establishment of Trainees mentorship program - Expansion of bursary/scholarship support	Satisfaction rate rose to 88%; 40% increase in Trainees accessing psychosocial support
6. Human Resource Development	Improve Trainers capacity and productivity	- No. of Trainers trained - Trainers satisfaction and retention rates	- In-service training - Performance appraisal and development programs	14 Trainers trained on pedagogy and ICT; Trainers retention rate at 95%
7. Governance and Institutional management.	Strengthen leadership and management systems	- Audit compliance score - Timeliness of reports and performance reviews	- Implementation of risk management policy - Regular board and committee meetings	100% compliance in audit; all quarterly performance reviews submitted on time

Alignment with Performance Contracts

The achievements outlined above are directly tied to the performance contracts signed by the Principal and key departmental heads. These contracts set annual targets based on strategic priorities and are monitored through quarterly reports and annual evaluations. The use of performance contracts has enhanced accountability and focus on results, ensuring alignment with institutional and national development goals under Kenya Vision 2030 and the TVET Act.

8. Corporate Governance Statement

Kiharu Technical and Vocational College is committed to the principles and practices of good corporate governance as a cornerstone of institutional integrity, accountability, transparency, and strategic leadership. The Board of Governors plays a critical role in setting the institution's direction, ensuring prudent use of public resources, and upholding the values of public service in education.

i. Appointment of Board Members

Board members are appointed by the Cabinet Secretary, Ministry of Education in line with the TVET Act, 2013. The appointment process ensures representation from various key stakeholders, including the community, industry, education sector, and government.

The Board's composition reflects diversity in expertise, gender, professional background, and geographical representation. As per the TVET regulations, members serve on renewable terms as defined in their appointment letters.

A Board Charter exists and outlines the mandate, roles, and responsibilities of the Board. It is reviewed periodically to ensure alignment with government policies and governance best practices.

ii. Roles and Functions of the Board

The Board of Governors is responsible for:

- Providing strategic direction and policy oversight
- Approving institutional budgets and development plans
- Ensuring compliance with regulatory frameworks
- Monitoring institutional performance and governance practices
- Overseeing risk management, audits, and fiduciary responsibilities

The Board delegates day-to-day operations to the Principal, who serves as the CEO and Secretary to the Board.

iii. Induction, Training, and Development

All Board members underwent formal induction on 14th October 2024, including orientation on governance principles, institutional operations, and regulatory frameworks. Ongoing training is encouraged, and members participate in capacity-building workshops organized by the Ministry of Education, Public Service Commission, and other regulatory bodies.

iv. Board and Members Performance

Board performance is evaluated annually using a structured performance evaluation tool based on the Mwongozo Code. The 2024/2025 assessment showed that the Board met most of its performance targets, with areas of improvement identified in oversight of ICT integration and stakeholder engagement.

v. Board Meetings and Attendance

During the reporting period, the Board held ordinary meetings and special meetings. Attendance records are maintained and reflect strong commitment from members, with an average attendance rate of over 95%. Minutes and resolutions from each meeting are duly documented and implemented by management.

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

Member Name	Number of full Board Meetings Attended	Number of special Meetings Attended	Total Meetings Held
1. HON. GERISHON NYAGIA REUBEN	4	3	7
2. CPA MUKU FRANCIS GICHEHA	4	3	7
3. KAMINA ROSALINE NJOKI	4	4	8
4. PROF. MOHAMED KARAMA	4	1	5
5 JOAN GATWIRI M	4	2	6
6 PETER KARIUKI	4	2	6
7SHEM KIHARA MAINA	2	0	2

vi. Succession Plan

KTVC has adopted a succession-planning framework to ensure continuity in leadership and institutional memory. The plan identifies key positions and potential successors, both at the Board and senior management levels. Mentorship and development programs are in place to support talent growth internally.

vii. Policy to Manage Conflict of Interest

The Board has a Conflict of Interest Policy, which requires all members to disclose any personal or professional interest that may interfere with their duties. A register of interests is maintained and declarations are made at the beginning of each meeting. Members are required to recuse themselves from deliberations where a conflict exists.

viii. Board Remuneration

Board members are remunerated in accordance with the guidelines provided by the Salaries and Remuneration Commission (SRC). This includes sitting allowances, travel reimbursement, and other approved facilitation. No member receives additional benefits beyond the allowed entitlements.

ix. Ethics and Conduct

KTVC upholds a Code of Conduct and Ethics aligned with the Leadership and Integrity Act, 2012 and public service values. Board members are expected to act with integrity, impartiality, accountability, and professionalism in the discharge of their duties.

x. Governance Audit

A Governance Audit is scheduled in line with public sector requirements to assess the effectiveness of governance systems, compliance, and alignment with national goals. Internal assessments have been conducted to prepare for the external audit.

xi. Communication Policy

The college has a Communication and Stakeholder Engagement Policy that ensures transparency and timely dissemination of information to internal and external stakeholders. The policy guides

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Trainees Enrollment by Program Level – Diploma (L6), Certificate (L5), Craft (L4), Artisan (L3)

GRADE 3	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
343	9	544	599	203

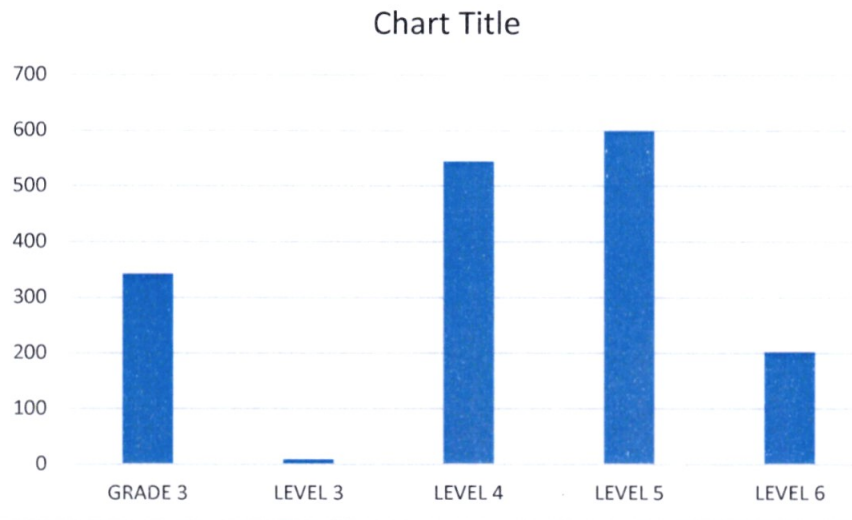


Figure 2- Trainees Enrolment by Program Level

- **Academic Delivery**

KTVC rolled out programs in Building and Civil Engineering, ICT, Electrical & Electronic Engineering, Hospitality, Automotive Engineering and Business Studies. Competency-Based Education and Training (CBET) is being implemented gradually, in line with curriculum guidelines from TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY and CDACC.

- **Human Resource Development**

The institution recruited 20 trainers and 8 non-teaching Trainers through support from the Board of Governors and Public Service Commission (PSC). Internal capacity-building sessions were held to support CBET implementation and digital literacy.

- **ICT Integration**

KTVC initiated partial digitization of administrative functions. Procurement of ICT tools for e-learning and Trainees management is ongoing.

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

2. Financial Performance Overview

KTVC operated under constrained resources as a newly established institution. The major revenue streams included:

Revenue Source	Amount (KES)
1. Transfers from National Government entities	16,388,011
2. Rendering of services- Fees from Trainees	93,031,800
Total Revenue	109,417,811

Revenue Composition by Source

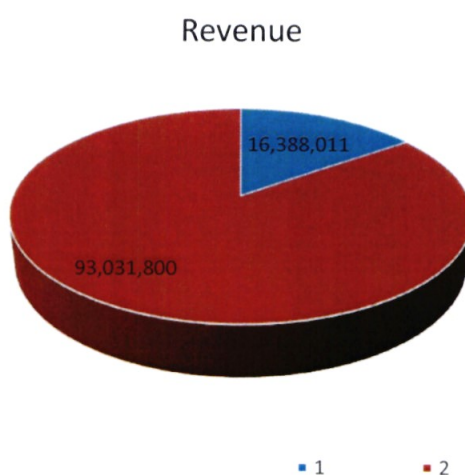


Figure 3 Revenue Composition by Source

Key Expenditures:

Expenditure Category	Amount (KES)
Use of goods and services	21,223,058
Employee costs	6,118,903
Remuneration of directors	1,605,800
Repairs and maintenance	972,599
Total Expenditure	33,099,643

Expenditure by Category

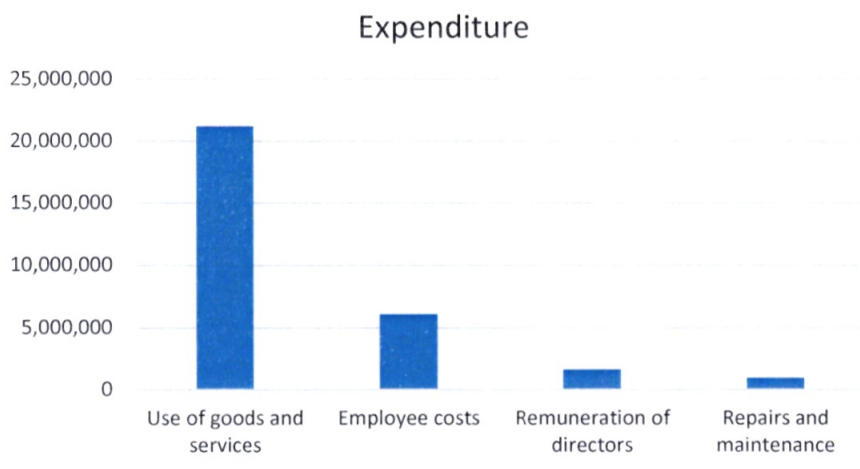


Figure 4 Expenditure by Category

The financial position remains unstable, reflecting a deficit of KES 24,626,230, which has been earmarked for pending development activities."

3. Key Projects and Investments

Project	Status	Remarks
Construction of Main Temporary Workshop	Completed	Equipment pending delivery
ICT Lab Setup	Ongoing	Equipment pending delivery
Construction of Tuition Block	Ongoing	60% complete
Trainees Hostels	Concept Stage	Awaiting funding approval

4. Compliance with Statutory Requirements

KTVC complies with key national and sectoral regulations:

- **TVET Act 2013:** Full compliance in registration and operations.
- **Public Finance Management (PFM) Act:** Budgeting and procurement conducted in line with PFM guidelines.
- **Kenya Revenue Authority (KRA):** Statutory deductions (PAYE, SHIF, NSSF) remitted on time.
- **Ministry of Education Circulars:** Adopted in management decisions and reporting.

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5. Risks Facing the Institution

Risk	Description	Mitigation Measures
Inadequate Training Equipment	Limits TVET-CBET implementation in key programs	Engagement with MoE and TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY for procurement
Delays in Scholarship/Development Funding	Affects budget execution and planning	Timely follow-up and prudent cash flow management
Trainer sing Gaps in Specialized Areas	Impacts program quality and delivery	Requests to PSC and partnerships with experts
Rapid Trainees Enrollment	Stretches current facilities	Phased infrastructure expansion
Cybersecurity/ICT Weaknesses	Affects data integrity and communication	Procurement of ERP systems and ICT training

6. Material Arrears or Outstanding Obligations

- **KRA and Statutory Deductions:** Fully remitted – *No arrears reported*
- **Pending Supplier Payments:** KES 3,004,317 (under payment process)
- **Equipment Delivery Delays:** Suppliers contracted; procurement progressing
- **NSSF/SHIF Contributions:** Up to date

7. Outlook and Strategic Priorities

KTVC's management remains focused on building a strong technical training institution with modern infrastructure, relevant programs, and a culture of excellence. Our key focus areas in the coming period include:

- Accelerating TVET-CBET implementation
- Expanding workshop and lab infrastructure
- Strengthening industry linkages for practical training
- Digitizing learning and administration systems
- Expanding revenue generation streams through short courses and partnerships

Conclusion

KTVC's second year of operations has been foundational, and despite challenges, we have made measurable progress. With continued support from the Board, Ministry of Education, development partners, and the community, the institution is on a promising trajectory toward becoming a model center for technical and vocational training.



Dr. Daniel K. Wahungu, PhD
Principal / Secretary BoG
Date: 02/12/2025

10. Environmental and Sustainability Reporting Statement

Sustainability Strategy and Profile

Kiharu Technical and Vocational College (KTVC) acknowledges the urgent need to align its development and operational strategy with global sustainability priorities, especially as climate change, resource scarcity, and social inequality continue to affect vulnerable communities and economies globally. As a public institution, we are committed to supporting the United Nations Sustainable Development Goals (SDGs) particularly:

- **SDG 4:** Quality Education
- **SDG 7:** Affordable and Clean Energy
- **SDG 12:** Responsible Consumption and Production
- **SDG 13:** Climate Action

In alignment with these global frameworks, KTVC has formulated its Sustainability and Environmental Policy that guides institutional planning and day-to-day operations. The policy emphasizes green practices, ethical governance, inclusive development, community engagement, and efficient use of resources.

Service Delivery and Inclusive Procurement

KTVC has implemented a Service Delivery Charter that outlines expected service timelines, feedback mechanisms, and performance standards to ensure transparency and accountability.

In the procurement process, the college adheres to Public Procurement and Asset Disposal Act (PPADA) 2015, ensuring 30% of contracts are reserved for special groups (Youth, Women, and Persons with Disabilities). During the period under review, 28.4% of total procurement value was awarded to these categories.

Key Achievements

- Institutionalization of green procurement principles.
- Integration of sustainability topics in Building Technology and Environmental Studies courses.
- Transition to partial automation of administrative processes to reduce paper usage.

Challenges and Mitigation

- **Limited funding** for green infrastructure and climate-resilient technologies.
Mitigation: Engagement with development partners for support.
- **Inadequate awareness among Trainers/Trainees** on sustainability goals.
Mitigation: Planned sensitization and training workshops.

Environmental Performance

KTVC's Environmental Management Policy emphasizes pollution control, sustainable waste management, energy efficiency, and biodiversity protection. The College is in the early stages of implementing this policy and has made progress in the following areas:

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Waste Management

- Waste bins for segregation (biodegradable, non-biodegradable, plastics) have been introduced in high-traffic areas.
- Use of refillable water dispensers has replaced single-use plastic bottles in meetings and events.
- Plans are underway to establish a waste composting area for biodegradable kitchen, garden waste and construction of incinerator.

Energy Efficiency and Climate-Smart Infrastructure

- Installation of solar-powered security lights across the campus.
- Natural lighting and ventilation design adopted in classroom and administrative block construction.
- Introduction of energy-saving bulbs and timers for lighting in common areas.
- Plans to integrate green building standards in future infrastructure projects, including rainwater harvesting and eco-friendly construction materials.

Climate Change Initiatives

- Tree planting exercises held jointly with the community and Trainees—over **1,200 trees** planted during the reporting period.
- Training and awareness on climate-smart agriculture provided to Trainees in partnership with Kenya forest officers.

Employee Welfare

KTVC ensures equitable employment practices guided by the Kenya Constitution 2010, Employment Act, and Occupational Safety and Health Act (OSHA) 2007. Recruitment policies emphasize diversity, equity, and inclusion.

Trainers Composition

Category	Count	Female (%)	Male (%)	Youth (%)	PWD (%)
Teaching Trainers	20	50%	50%	100%	0%
Non-Teaching Trainers	8	80%	80%	90%	0%

Employee Development and Safety

- Annual Trainers appraisals and performance development plans implemented.
- Trainings on TVET-CBET delivery, digital skills, and curriculum reform conducted.
- No work-related injuries were reported during the year.
- Fire extinguishers and first-aid kits have been installed in all blocks.
- Trainers and Trainees safety briefings are conducted quarterly.

Marketplace Practices

a) Responsible Competition practice

KTVC observes principles of fair competition and transparency in all procurement and service delivery. Measures include:

- Open and competitive tendering
- Availability of a Whistleblower Protection Mechanism
- Clear anti-corruption policy and declaration forms signed during procurement processes

b) Responsible Supply chain and supplier relations

KTVC values and respects all suppliers by:

- Ensuring timely payment (within 60 days of delivery)
- Adhering strictly to contract terms
- Publishing procurement opportunities and awarding notices as per PPADA guidelines

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

Regular public updates via the College’s website and local media on admissions and opportunities.

- Community consultative forums held on training needs and expansion projects
- Promotional materials are verified for accuracy—no exaggerated promises made

d) Product Stewardship / Awareness Creation

- Trainees and community are informed of their rights and services via orientation, social media, and notice boards
- Data privacy is maintained through secure handling of Trainees records
- Dispute resolution mechanisms include Trainees grievance desk and feedback boxes
- Public sensitization during career fairs and civic forums on TVET opportunities

Corporate Social Responsibility (CSR) and Community Engagement

KTVC’s CSR initiatives are focused on community empowerment, environmental conservation, and educational access. Activities conducted in the reporting period include:

Activity	Impact
Tree Planting Campaigns	1,200 indigenous trees planted
Community Outreach Programs	Training on ICT basics for 80 local youth
School Engagements	Career mentorship sessions in 8 local secondary schools
Charitable Donations	Donated desks and textbooks to two nearby primary schools

These initiatives have fostered strong community support and reinforced KTVC’s role as a driver of socio-economic development in Murang’a County.

Conclusion

KTVC recognizes that sustainability is not a secondary priority but an integral part of education, infrastructure, and governance. The institution remains committed to aligning its operations with national policies, SDGs, and global environmental and social goals. Continuous improvement, stakeholder engagement, and community-driven development will guide our sustainability agenda going forward.

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

11. Report of the Board of Governors

The Board of Governors of Kiharu Technical and Vocational College submits its report together with the audited financial statements for the year ended **30th June 2024**, which show the state of the College's affairs.

Principal Activities

The principal activity of Kiharu Technical and Vocational College (KTVC) continues to be the provision of technical and vocational education and training (TVET) in accordance with the TVET Act, 2013, and under the purview of the Ministry of Education. The College is mandated to offer a wide range of diploma, craft, artisan, and skills-upgrading programs, with a focus on producing skilled graduates who are competent, innovative, and responsive to the changing demands of the labour market.

KTVC serves as a Centre of Excellence in Building Technology, and also offers programs in Electrical and Electronic Engineering, ICT, Fashion Design, Business Studies, and other technical fields. The College also contributes to the government's socio-economic development agenda by enhancing youth employability, supporting the Competency-Based Education and Training (CBET) framework, and advancing local industry collaboration.

Results for the Year Ended 30th June 2025

The financial and operational results for the year are detailed in the audited financial statements presented in this report (see **page 1-6**). Key highlights include:

- A steady increase in Trainees enrollment reaching **1,698 Trainees** during the year
- Execution of key infrastructure projects including completion of the Temporary workshop Block and partial development of the Tuition Block
- Revenue performance supported by Government capitation, tuition fees, and development grants, resulting in a modest operational surplus
- Strengthened governance and management practices to align with public finance and procurement regulations

Despite certain challenges—such as delays in delivery of training equipment and constrained development funding—the College made notable progress in fulfilling its mandate and positioning itself for future growth.

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

Board of Governors

The following members served on the Board during the year ended 30th June 2025 (see page XXII for full list and attendance record):

Name	Position	Status
HON. GERISHON NYAGIA REUBEN	Chairperson	Serving
CPA MUKU FRANCIS GICHEHA	Chairperson Finance committee	Serving
KAMINA ROSALINE NJOKI	Executive member Member Finance Committee Member Education Committee	Serving
PROF. MOHAMED KARAMA	Chairperson Academic Member Finance committee	Serving
JOAN GATWIRI M	Chairperson Risk and Audit	Serving
PETER KARIUKI	Member Risk and Audit	Serving
SHEM KIHARA MAINA	Member Education Committee	Serving
DANIEL WAHUNGU	Principal/Secretary to the Board	Serving

During the reporting period;

- No member resigned/retired from the Board
- No member was appointed to the Board

The Board appreciates the service of the member(s)

Auditors

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

Approval

This report is made in accordance with a resolution of the Board of Governors and is signed on its behalf by:

By Order of the Board



Dr. Daniel K. Wahungu, PhD
Principal/Secretary BOG
Date: 02/12/2025

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management (PFM) Act, 2012, Section 14 of the State Corporations Act, and Section 29 of Schedule 2 of the Technical and Vocational Education and Training (TVET) Act, 2013, require the Board of Governors of Kiharu Technical and Vocational College to prepare financial statements that give a true and fair view of the financial position of the College as at the end of the financial year, and of its financial performance for the period then ended.

The Board members are also responsible for ensuring that the College:

- Maintains proper accounting records that disclose with reasonable accuracy the financial position of the College;
- Safeguards the assets of the institution;
- Implements sound financial management systems;
- Complies with applicable laws and regulations.

Responsibilities in the Preparation of Financial Statements

The Board of Governors accepts full responsibility for the preparation and fair presentation of the College's financial statements for the year ended 30th June 2025, in accordance with:

- International Public Sector Accounting Standards (IPSAS)
- The Public Finance Management Act, 2012
- The State Corporations Act
- The Technical and Vocational Education and Training (TVET) Act, 2013.

This responsibility includes:

1. Maintaining adequate financial management arrangements and ensuring that these remain effective throughout the reporting period;
2. Maintaining proper accounting records that disclose, with reasonable accuracy, the financial position of the College at any point;
3. Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, ensuring that they are free from material misstatement—whether due to fraud or error;
4. Safeguarding the College's assets from loss, misuse, or damage;
5. Selecting and applying appropriate accounting policies consistently;
6. Making judgments and estimates that are reasonable and prudent in the circumstances.

Assessment of Going Concern

In preparing the financial statements, the Principal, on behalf of the Board, has assessed the College's ability to continue operating as a going concern. Based on this assessment and current financial forecasts, no matters have come to the attention of the Board to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

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

Board Confirmation

The Board members confirm that:

- Adequate systems of internal financial control have been in place and were effective throughout the financial year under review;
- The accounting records maintained are complete and have been relied upon in the preparation of these financial statements;
- The financial statements fairly present the state of financial affairs of the College as at 30th June 2025, and the results of its operations for the year then ended.

Approval of the board financial statements

The College's financial statements were approved by the Board on *02/12/2025* and signed on its behalf by:



Hon. Gerishon Nyagia Reuben
Chairperson, Board of Governors



Dr. Daniel K. Wahungu, PhD
Principal/Secretary BOG

REPUBLIC OF KENYA

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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIHARU 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 Kiharu Technical and Vocational College set out on pages 1 to 47, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in

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

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 Kiharu 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. Undisclosed and Lack of Ownership Documents for Land

The statement of financial position reflects property, plant and equipment balance of Kshs.101,260,269 which includes Nil land balance as disclosed in Note 25 to the financial statements. Review of documents revealed that the land on which the College is built, measuring 5.2 acres was donated to the College by St. Paul's Boys High School, Gathuki-ini in the year 2023. However, the land is not valued. Further, Management did not provide ownership documents for the land.

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

2. Inaccuracy in the Statement of Cashflows

The statement of cashflows reflects decrease in cash and cash equivalents of Kshs.24,341,406 while the computed difference between the cash and cash equivalent balance at the beginning and at the end totals Kshs.26,867,188 resulting in unexplained variance of Kshs.2,525,782.

In the circumstances, the accuracy and completeness of the statement of cashflows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent Kiharu 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 revenue budget and actual on comparable basis of Kshs.213,031,800 and Kshs.35,775,227 resulting in an under-funding of Kshs.177,256,573 or 83% of the budget. Similarly, the College spent Kshs.60,116,633 against actual receipts amount of Kshs.35,775,227 resulting in over -utilization of Kshs.24,341,406 or 68% of the budget.

The under-funding may have affected the planned activities for the year 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 Audit Matters

In the prior year's audit reports issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status of the issues during audit of Kiharu Technical and Vocational College in 2024/2025 revealed that the following matters remained unresolved.

S/ No.	Financial Year	Audit Issue
1	2023/2024	Lack of Ownership Documents for Property, Plant and Equipment
2	2023/2024	Unsupported Inventory Balances
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Non- Compliance with Principles of Equal Opportunities for All
5	2023/2024	Non-Remittance Statutory Dues
6	2023/2024	Lack of Approved Budget
7	2023/2024	Lack of Internal Audit Function
8	2023/2024	Lack Internal Control Policies

Other Information

The Management is responsible for the Other Information set out on page iii to xxxv which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting

statement, Report of the Board of Governors and the Statement of Board of Governors responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Transfer of Funds to Kenya Association of Technical Training Institute

Note 8 to the financial statements reflects use of goods amount of Kshs.21,223,058. Included in the amount is a payment of Kshs.659,137 to Kenya Association of Technical Training Institute (KATTI). However, the payment to KATTI, a privately owned and run entity, that does not provide services and or goods to the College is not backed by any authority or law.

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

2. Failure to Meet the Requisite Number of Representation of Persons Living with Disability in the Staff Establishment

Review of staff bio data and personal files revealed that the College has thirty-one (31) employees. However, Management has not employed any person living with disability contrary to the provision of Section.B23(1,2) of Public Service Human Resource Policy 2016 that requires at least five (5) percent of all appointments shall be for persons with disabilities.

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

Lack of Internal Audit Function

During the year under review, the College did not have internal audit function in place. As a result, no audits were carried out resulting to lack of continuous independent oversight and potential exposure to financial, operational and compliance risks.

In the circumstances, independent oversight over errors, omissions and frauds could not be confirmed.

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

Responsibilities of Management and Board of Governors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Governors are 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

16 December, 2025

Kiharu 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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6	16,388,011	116,850,183
Revenue from non-exchange transactions		16,388,011	116,850,183
Revenue from exchange transactions			
Rendering of services- Fees from Trainees	7	93,031,800	14,067,111
Revenue from exchange transactions		93,031,800	14,067,111
Total revenue		109,419,811	130,917,294
Expenses			
Use of goods and services	8	21,223,058	77,258,561
Employee costs	9	6,118,903	1,621,500
Remuneration of directors	10	1,605,800	105,000
Depreciation	11	3,179,283	2,606,905
Repairs and maintenance	12	972,599	15,400
Contracted Services		-	5,000
Total expenses		33,099,643	81,612,366
Net Surplus for the Period		76,320,168	49,304,928

(The notes set out on pages 7 to 44 form an integral part of the Annual Financial Statements).

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



Chairman of Board

Date: 02/12/2025



Principal

Date: 02/12/2025



Finance Officer
ICPAK No 33063

Date: 02/12/2025

Kiharu 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	19	14,127,751	40,994,939
Current portion of receivables from exchange transactions	20	24,802,520	10,882,172
Receivables from non-exchange transactions	21	37,256,301	-
Inventories	22	5,984,063	712,560
		82,170,635	52,589,671
Non-current assets			
Property, plant and equipment	25	101,260,269	74,243,279
Total –Non Current Assets		101,260,269	74,243,279
Total assets (A)		183,430,904	126,832,950
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26	3,004,317	655,120
Fees Received in advance		-	22,719
Total Current liabilities		3,004,317	677,839
Total liabilities (B)		3,004,317	677,839
Net assets (A-B)		180,426,587	126,155,111
Represented By:			
Reserves		-	-
Accumulated surplus		14,127,751	49,304,928
Capital Fund		169,303,153	76,850,183
Total net assets and liabilities		183,430,904	126,155,111

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



Chairman of Board/Board

Date: 02/12/2025



Principal

Date: 02/12/2025



Finance Officer
ICPAK No 33063

Date: 02/12/2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2024	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	49,304,928	-	49,304,928
Capital grants received during the year	-	-	76,850,183	76,850,183
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	49,304,928	76,850,183	126,155,111
At July 1, 2025	-	49,304,928	76,850,183	126,155,111
Revaluation gain	-	-	82,452,970	82,452,970
Surplus for the year	-	14,127,751	-	14,127,751
Capital grants received during the year	-	-	10,000,000	10,000,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	-	14,127,751	169,303,153	183,430,904

Note:

1. *Revaluation Reserve - The revaluation reserve reflects the net increase arising from the revaluation of property, plant, and equipment. The gain of Ksh 33,148,042 recognized in FY 2024/2025 represents the fair value uplift in accordance with the applicable accounting standards.*
2. *Capital Grants/Fund - Capital grants received during the year (Ksh 10,000,000 in FY 2024/2025 and Ksh 76,850,183 in FY 2023/2024) are designated for the acquisition or construction of capital assets. These are amortized over the useful life of the related assets. No amortisation was transferred in these years; the corresponding entry shows as zero.*
3. *Accumulated Fund - This represents the retained surplus from operations. A surplus of Ksh 14,127,751 was realized in FY 2024/2025 (Ksh 49,304,928 in FY 2023/2024).*
4. *Prior Year Adjustments - There were no prior year adjustments reported during the periods under review. Any such adjustment in the future should be accompanied by a detailed note and restatement of opening balances.*

Kiharu 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 National Government entities	6	16,388,011	40,000,000
Rendering of services- Fees from Trainees	7	19,387,216	3,189,939
Total Receipts		35,775,227	43,189,939
Payments			
Employee Costs	9	6,118,903	443,100
Use of goods and services	8	21,223,058	1,621,500
Remuneration of directors	10	1,605,800	105,000
Repairs and maintenance	12	972,599	15,400
Contracted Services		-	5,000
Total Payments		29,920,360	2,190,000
Net cash flows from operating activities		-	40,994,939
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(30,196,273)	-
Net cash flows used in financing activities		(30,196,273)	-
Net increase/(decrease) in cash and cash equivalents		(24,341,406)	40,994,939
Cash and cash equivalents at beginning of the period	19	40,994,939	-
Cash and cash equivalents at end of the period		14,127,751	40,994,939

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

Description	Supplementary budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Notes
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Development Grant	120,000,000	-	120,000,000	10,000,000	110,000,000	8%	1
Operational grants	-	-	-	6,388,011	-	-	2
Rendering of services- fees from Trainees	93,031,800	-	93,031,800	19,387,216	67,258,588	28%	3
Total Income	213,031,800	-	213,031,800	35,775,227	177,258,588	17%	
		-					
Expenses		-					
Use of goods and services	41,578,040	-	41,578,040	21,223,058	20,354,982	51%	4
Employee costs	6,772,284	-	6,772,284	6,118,903	653,381	90%	5
Board Expenses	4,651,590	-	4,651,590	1,605,800	3,045,790	35%	6
Repairs and maintenance	5,500,000	-	5,500,000	972,599	4,527,401	18%	7
Contracted services	250,000	-	250,000	-	250,000	-	8
Development	154,279,886	-	154,279,886	30,196,273	124,083,613	19%	9
Total Expenditure	213,031,800	-	213,031,800	60,116,633	154,131,839	27%	
		-					
Surplus/Deficit For the Period	-	-	-	(24,341,406)	(24,343,421)	-%	
Capital Expenditure	125,287,275	-	125,287,275	-	-	-%	

Budget Notes & Explanations

1. Revenue – Development Grant

Variance: Kshs 110 million (92% under)

Explanation: Funds expected under the development grant were not fully disbursed due to delays in approval from the parent ministry. This led to a shortfall in project implementation and development activities.

Kiharu Technical and Vocational College
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2. Revenue – Operational grants

Explanation : funds provided to the college to support its regular, day-to-day operations. These grants are intended to assist with ongoing activities such as administrative functions, and general operating costs.

3. Revenue – Fees from Trainees

Variance: Kshs 67.26 million (72% under)

Explanation: The low collection is attributed to reduced enrollment and a delay in fee payments. Some courses were suspended or deferred, impacting revenue generation.

4. Use of Goods & Services

Variance: Kshs 20.35 million (49% under)

Explanation: Expenditure was curtailed as part of cost-saving measures following the shortfall in income. Procurement of supplies was scaled down accordingly.

5. Employee Costs

Variance: Kshs 653K (10% under)

Explanation: Minor savings due to unfilled positions and lower payroll adjustments during the period.

6. Board Expenses

Variance: Kshs 3.04 million (65% under)

Explanation: Fewer board meetings were held due to cost rationalization.

7. Repairs & Maintenance

Variance: Kshs 4.53 million (82% under)

Explanation: Major maintenance activities were deferred to the following financial year due to lack of funds.

8. Contracted Services

Variance: Kshs 250K (100% under)

Explanation: No contracted services were engaged during the year as previously planned services (e.g., consultancy) were canceled due to budget cuts.

9. Development Expenditure

Variance: Kshs 125.3 million (81% under)

Explanation: This underutilization is directly tied to the shortfall in the development grant. Most capital projects were postponed.

IPSAS 24.29 – Budget Changes Explanation

- *Adjustments:* There were no budget reallocations or revisions made during the year. The Final Budget figures remain the same as the Supplementary Budget, indicating no formal reallocation or approval of budget modifications occurred.
- All variances arise from operational shortfalls or underutilization, not from approved adjustments to the original or supplementary budget.

19. Notes to the Financial Statements

1. General Information

Kiharu Technical and Vocational College (KTVC) is a public technical institution established under the Technical and Vocational Education and Training (TVET) Act, 2013 and derives its authority and accountability from the same Act. The College is wholly owned and funded by the Government of Kenya through the Ministry of Education, and is domiciled in Kenya.

KTVC was officially registered on 9th October 2023 under Section 20(1) of the TVET Act and is located in Gatari Ward, Kiharu Constituency, Murang'a County.

The College's principal activity is the provision of technical and vocational education and training (TVET-CBET), in accordance with government policies and the national development agenda. It aims to equip trainees with practical skills, knowledge, and competencies in various disciplines including Building and Civil Technology (its Centre of Excellence), Electrical and Electronic Engineering, ICT, Hospitality, Business and Liberal Studies, and Automotive Engineering.

The College offers programs at Diploma, Craft Certificate, Artisan, and Skills Upgrading levels, with the mission of preparing youth and adults for employment, self-employment, and entrepreneurship in the national and global labour markets.

2. Statement of Compliance and Basis of Preparation

The financial statements of Kiharu Technical and Vocational College (KTVC) have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The statements comply with the Public Finance Management (PFM) Act, 2012, the State Corporations Act (Cap. 446), the Technical and Vocational Education and Training (TVET) Act, 2013, and any other applicable laws and regulations of the Government of Kenya.

The financial statements have been prepared under the historical cost convention, unless otherwise stated. Exceptions include:

- Property, plant and equipment that are measured at revalued amounts,
- Marketable securities and certain financial instruments measured at fair value,
- Impaired assets, measured at their estimated recoverable amounts, and
- Actuarially determined liabilities, measured at present value.

The financial statements are presented in Kenya Shillings (KES), which is both the functional and reporting currency of the College. All values are rounded to the nearest Kenyan shilling, unless otherwise indicated.

In preparing these financial statements, management has made use of estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are based on historical experience and other relevant factors, including expectations of future events, and are reviewed on an ongoing basis. Areas involving a higher degree of judgment or

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

complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Page 1 to 6.

The accounting policies applied are consistent with those applied in the previous financial period, and have been consistently applied to all periods presented, unless otherwise stated.

3. Adoption of New and Revised Standards

i. New and Amended Standards and Interpretations Effective for the Year Ended 30th June 2025

There were no new or amended International Public Sector Accounting Standards (IPSAS) that became effective and applicable in Kenya during the financial year ended **30th June 2025**.

ii. New and Amended Standards and Interpretations Issued but Not Yet Effective as at 30th June 2025

The following IPSAS standards have been issued and will become effective in subsequent financial periods. The College did not early adopt these standards.

Standard	Effective Date	Description	Expected Impact on the College
IPSAS 43: Leases	1st January 2025	Establishes principles for recognition, measurement, presentation, and disclosure of leases. Requires lessees to recognize right-of-use assets and lease liabilities.	The College expects that upon adoption, leased properties (e.g., equipment or vehicles, if any) will need to be recognized as right-of-use assets with corresponding lease liabilities. Currently, the College has minimal lease arrangements, and thus the impact is expected to be low.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	1st January 2025	Requires assets held for sale to be measured at the lower of carrying amount and fair value less costs to sell. These assets and discontinued operations should be separately presented.	Currently, the College does not hold any assets intended for sale or discontinued operations. The impact is expected to be negligible.
IPSAS 45: Property, Plant, and Equipment	1st January 2025	Replaces IPSAS 17. Introduces recognition and measurement guidance for heritage and infrastructure assets.	The College owns infrastructure assets and may have heritage assets (e.g., historically significant buildings). The standard will enhance disclosure and valuation guidance. Implementation may require reassessment and reclassification of existing PPE.
IPSAS 46: Measurement	1st January 2025	Provides guidance on commonly used measurement bases, introduces public-sector	May affect valuation methodology, especially for operational assets. Management will assess the need to revise current asset measurement

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

Standard	Effective Date	Description	Expected Impact on the College
		specific measurement: current operational value.	practices during the implementation period.
IPSAS 47: Revenue	1st January 2026	Consolidates revenue recognition for exchange and non-exchange transactions. Replaces IPSAS 9, 11, and 23.	The College will need to review revenue streams (e.g., tuition fees, grants, donations) for classification and recognition in line with the new model. A moderate impact is expected.
IPSAS 48: Transfer Expenses	1st January 2026	Provides guidance for entities incurring transfer expenses (e.g., grants, subsidies).	Limited impact is expected as KTVC is not a transfer provider but a recipient. However, awareness is important for financial reporting alignment.
IPSAS 49: Retirement Benefit Plans	1st January 2026	Sets reporting requirements for public sector retirement benefit plans.	Not applicable to KTVC as the College does not operate its own retirement benefit scheme. Retirement benefits are managed centrally by public service retirement schemes (e.g., NSSF, Public Service Pension Fund).
IPSAS 50: Exploration for and Evaluation of Mineral Resources	1st January 2027	Covers recognition and disclosure of exploration and evaluation expenditures and related assets.	Not applicable. The College is not engaged in mineral exploration or evaluation activities.

iii. Early Adoption of Standards

The College **did not early-adopt** any new or amended IPSAS standards during the financial year ended **30th June 2025**.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (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 College 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 College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board 24th August 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 College upon receiving the respective approvals to conclude the final budget. Accordingly, the College recorded additional appropriations of xxx on the FY 2024/2025 budget following the Board's approval. The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The College is exempt from paying taxes as per *Schedule 5 of the Income Tax Act (Cap 470)*.

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 a year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (College 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 College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The College doesn't own biological assets, it is probable that future economic benefits associated with the asset will flow to the College, 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 College doesn't have any expenses on research costs. Development costs on an individual project are recognized as intangible assets when the College can demonstrate:

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

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

j) Financial instruments

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

Financial assets

Classification

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the College'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 College 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 College 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 College manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

The College classifies its financial liabilities at initial recognition based on the purpose for which the liabilities were incurred. All financial liabilities are subsequently measured at amortized cost using the effective interest method, except for those financial liabilities that are designated or held at fair value 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 *College*.

l) Provisions

As at June 30, 2025, the College had no provisions recognized in the financial statements. Provisions are recognized when the College has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the College expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The related expense is presented in the statement of financial performance net of any reimbursement

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

The College does not operate any social benefit schemes as defined under IPSAS 42 – Social Benefits. Accordingly, no amounts have been recognized in respect of social benefits in these financial statements.

n) Nature and purpose of reserves

As at June 30, 2025, the College has not established any specific reserves. However, the College may consider creating reserves in the future to enhance financial planning, manage operational risks, and support long-term sustainability in line with best public financial management practices.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The College provides post-employment retirement benefits to its employees through participation in defined contribution plans.

Defined Contribution Plans

These are post-employment benefit plans under which the College pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions are charged to surplus or deficit in the year to which they relate.

The College contributes to statutory retirement schemes, such as the National Social Security Fund (NSSF), and to registered occupational retirement schemes approved by the Retirement Benefits Authority (RBA).

Note: The College currently does not manage a defined benefit scheme.

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

The College regards a related party as a person or an entity with the ability to exert control, jointly control, or exercise significant influence over the College, or vice versa. Related parties include:

- Entities that directly or indirectly control, are controlled by, or are under common control with the College.
- Individuals such as members of the Board of Directors, the Principal, and senior management who have significant influence over the financial and operational decisions of the College.

Transactions with related parties are conducted at arm's length and are disclosed where material.

t) Service concession arrangements

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. 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 College's financial statements in accordance with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities at the end of the reporting period. These judgments and estimates are based on historical experience, current trends, and other factors deemed relevant.

Because these estimates and assumptions involve inherent uncertainties, actual outcomes may differ from those anticipated. Such differences could result in material adjustments to the carrying amounts of assets or liabilities in future reporting periods.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Management estimates provisions based on the information available at the reporting date, including historical data, current conditions, and expected future developments. These estimates represent the best assessment of the expenditure required to settle the obligation and are discounted to their present value where the effect is material.

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Examples of provisions relevant to the College may include:

Provision for bad debts: Estimated based on the aging of receivables, historical recovery rates, and assessment of individual debtor circumstances.

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

Depreciation

Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets.

The annual rates of depreciation used shall be as

No	Classification of Assets	Rate
i.	Building	2%
ii.	Plant, Machinery and equipment	12.5%
iii.	Office Equipment and computer accessories	12.5%
iv.	Computer equipment and intangible assets	33.3%
v.	Motor vehicles- Buses & others	25%
vi.	Furniture and fittings	12.5%
vii.	Library books	20%

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Notes to the Financial Statements (Continued)

6. (a) Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Development grants	10,000,000	-
Operational grant	6,388,011	
Total unconditional Grants	16,388,011	-
Conditional Grants amortised/ recognised in revenue		
Tuition Block Grant	-	40,000,000
Grants in kind (Mentor Institution)	-	76,850,183
Total Government Grants and Grants in Kind	16,388,011	116,850,183

(a) Transfers from other Government entities (Categorized)

Name of the College 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 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education State Department of Vocational	10,000,000	-	-	10,000,000	40,000,000
Grants and Scholarship	6,388,011	-	-	6,388,011	6,388,011
Total	16,388,011	-	-	16,388,011	16,388,011

The details of the reconciliation have been included under appendix I-II

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Notes to the Financial Statements (Continued)

7. Revenue from exchange transactions

Rendering of services- Fees from Trainees

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	43,969,200	7,291,559
Administration	15,454,800	696,500
Personal Emolument	4,738,800	2,562,921
Electricity, Water and Conservancy	4,738,800	785,851
Local Transport and Travel	3,908,400	785,851
Repairs, Maintenance and Improvements	5,416,800	648,143
Activity	2,400,000	898,286
Medical and Insurance	43,969,200	398,000
Exam Fees	6,230,000	-
Income Generating Unit	1,375,000	-
Admission Fee	4,800,000	-
Total Revenue from The Rendering of Services	93,031,800	14,067,111

7b. Receipts-Rendering of services- Fees from Trainees

Description	2024-2025	2023-2024
	KShs	KShs
Tuition	7,983,295	923,888
Administration	2,559,249	634,000
Personal Emolument	2,506,816	703,100
Local Transport and Travel	1,149,874	272,885
Electricity, Water and Conservancy	801,379	136,085
Repairs Maintenance and Improvements	668,784	212,145
Board Allowances	1,069,425	307,836
Insurance	225,854	-
Activity	170,468	-
Computer Maintenance	1,039,855	-
College Identity Card	574,950	-
College T-Shirt	547,400	-
Kenya Universities and Colleges Central Placement Service	1,386,700	-
Technical And Vocational Education And Training Authority	405,200	-
Curriculum Development, Assessment and Certification Council	2,136,950	-
National Industrial Training Authority	303,250	-
Material Fee	91,100	-
Computer Packages	253,233	-
Short Courses	399,949	-
Total revenue from the rendering of services	24,273,731	3,189,939

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Notes to the Financial Statements (Continued)

Fees from trainees adjustments

Description	2024-2025	2023-2024
	KShs	KShs
Total revenue from the rendering of services	24,273,731	-
Total operational grants	(4,886,515)	-
Fees from students	19,387,216	-

Revenue was generated from Government disbursements through HELB and bursaries, as well as collections from self-sponsored trainees.

8. Use of Goods and Services

Description	2024-2025	2023-2024
	KShs	KShs
Hospitality	647,365	23,200
Bank Charges	26,040	1,025
Administration	823,335	-
Local Transport and Travel	3,914,545	168,300
Electricity, Water and Conservancy	180,070	10,075
Training Materials	4,800,491	806,620
Practical Materials	1,501,656	-
Consultation	29,000	-
Subscription Fee	357,200	20,000
Participation Fee	859,387	-
Telephone	370,150	-
Internet	93,980	-
Publicity	2,427,270	-
Stationaries & Printing	316,920	-
Sports and Activities	88,820	-
Insurance	36,750	-
Security Guards	589,080	-
National Industrial Training Authority Exam Fee	125,100	-
Curriculum Development, Assessment and Certification Council Exam Fee	1,250,600	-
Assessment	69,500	-
Trainers Sensitization	118,300	-
Activities	670,740	-
Technical Support	40,600	-
Kenya Universities and Colleges Central Placement Service	1,135,400	70,000
Curriculum Development, Assessment and Certification Council Assessment	27,000	-
College Identity Card	23,316	-
Commissioner for Domestic Taxes	618,443	-
Bursary Refund	28,000	4,000
Acquisition Of Assets	-	76,850,183
Total Goods and Services	21,223,058	77,953,403

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Notes to the Financial Statements (Continued)

9. Employee Costs

Description	2024-2025	2023-2024
	KShs	KShs
Personal Emolument	4,017,652	1,611,000
PAYE	526,371	-
House Levy	118,580	-
National Social Security Fund	561,372	-
Social Health Insurance Fund	91,622	-
Higher Education Loans Board	104,996	-
National Industrial Training Levy	11,450	-
Part Time	155,060	-
Casuals	531,800	10,500
Employee costs	6,118,903	1,621,500

10. Board Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Board Allowances	1,545,800	105,000
Chairman's Honoraria	60,000	-
Total director emoluments	1,605,800	105,000

11. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	3,179,283	2,606,905
Total depreciation and amortization	3,179,283	2,606,905

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Building	972,599	15,400
Total repairs and maintenance	972,599	15,400

Notes to the Financial Statements (Continued)

13. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Other (specify)	-	5,000
Total contracted services	-	5,000

14. Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
Total Grants and Subsidies	-	-

The College does not operate any social benefit schemes as defined under IPSAS 42. Specifically, it does not provide cash transfers or similar benefits to individuals or households in relation to circumstances such as unemployment, old age, or disability. As such, there are no social benefit obligations to be recognized or disclosed in accordance with IPSAS 42.

15. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

The College does not incur borrowing costs that relate to the acquisition, construction, or production of qualifying non-current assets. Therefore, there are no borrowing costs that meet the criteria for capitalization under IPSAS 5 – Borrowing Costs. Any interest expenses incurred are expensed in the period in which they are incurred and are not capitalized.

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Notes to the Financial Statements (Continued)

16. Gain On Sale of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

The College did not dispose of any assets during the reporting period that resulted in a gain. Accordingly, no gain on sale of assets has been recognized in the financial statements

17. Gain/(loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

The College does not hold any investments that are measured at fair value. As a result, no gain or loss on fair value investments has been recognized during the reporting period

18. Impairment Loss

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

The College has assessed its assets for impairment in accordance with the applicable accounting standards and has determined that there is no indication of impairment. Therefore, no impairment losses have been recognized during the reporting period

19. Cash and Cash Equivalents

Description	2024-2025	2023-2024	Comparative for Cash flow
	Kshs	Kshs	Kshs
Current account KCB Bank	11,140,128	40,994,939	12,573,801
Current account EQUITY Bank	2,987,623	-	3,797,355
Others(specify)	-	-	-
Total cash and cash equivalents	14,127,751	40,994,939	16,371,156

Notes to the Financial Statements (Continued)

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

Financial institution	Account number	2024-2025	2023-2024	Comparative for Cash flow
		Kshs	Kshs	Kshs
a) Current account				
Kenya Commercial bank	1314152238	11,140,128	40,994,939	12,573,801
Equity Bank	0220285911440	2,987,623	-	3,797,355
Sub- total		14,127,751	40,994,939	16,371,156
b) Others(specify)				
cash in hand		-	-	-
Sub- total		-	-	-
Grand total		14,127,751	40,994,939	16,371,156

20. Receivables from Exchange transactions

20 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Trainees Debtors	24,802,520	10,882,172
Less: Impairment Allowance	-	-
Total Current Receivables	24,802,520	10,882,172

20 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2023-2024 FY	% of the total	2023-2024 FY	% of total
Less than 1 year	24,802,520	100 %	10,882,172	100%
Total (a+b)	24,802,520	100 %	10,882,172	100%

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Notes to the Financial Statements (Continued)

20 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

The College does not have material receivables that give rise to expected credit losses. As such, no expected credit loss rates have been determined or disclosed. In line with IPSAS 41, an assessment was carried out, and it was concluded that the credit risk on the College's receivables is minimal, and the impact of ECL is not significant to the financial statements

21. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Scholarship	37,256,301	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	37,256,301	-

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	37,256,301	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	37,256,301	%	-	%

Notes to the Financial Statements (Continued)

21 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

The College does not have any receivables from non-exchange transactions that are impaired. Consequently, no impairment allowance has been recognized, and no reconciliation for impairment allowance on such receivables is required for the reporting period

22. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Electrical stores	381,000	185,750
Information Communication Technology	1,331,750	-
Administration	553,200	-
Cleaning and catering stores	18,395	8,500
Hospitality Department	765,519	347,810
Cosmetology Store	570,800	151,500
Building & Civil Engineering	1,295,900	-
Automotive	367,500	-
Games and Sports	207,500	-
Stationeries	492,499	-
Water storage	-	19,000
Total inventories at the lower of cost and net realizable value	5,984,063	712,560

Inventories explanatory notes

*Inventories are stated at the lower of cost and net realizable value, in accordance with the applicable accounting standards. As at 30 June 2025, the College reported inventories amounting to **KShs 5,984,063**, compared to **KShs 712,560** in the previous year. The significant increase is primarily due to the acquisition of inventory across various departments, including ICT, Administration, Building & Civil Engineering, Automotive, and others, which did not report inventory balances in the prior year.*

These inventories comprise consumables and departmental supplies such as electrical materials, ICT equipment, stationery, cleaning and catering items, and hospitality and cosmetology supplies, among others. No impairment or write-downs were recognized during the reporting period, as all inventory items were assessed to be in usable condition and expected to be consumed in the normal course of operations.

Notes to the Financial Statements (Continued)

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	712,560	-
Additional Inventory in the year	10,237,322	864,060
Inventory expensed in the year	4,965,819	151,500
Closing balance	5,984,063	712,560

23. Investments in financial assets

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- Total	-	-
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company	-	-
Sub- Total	-	-
Grand Total	-	-

The College did not hold any investments in financial assets during the reporting period ended 30 June 2025. As such, there are no investments in treasury bills, bonds, bank deposits, or equity instruments to be measured at amortized cost or at fair value through surplus or deficit. Consequently, disclosures relating to interest rates, maturity dates, valuation methodologies, or impairment assessments are not applicable.

d) Shareholding in other entities

For investments in equity shares listed under note 30 (c) above, list down the equity investments under the following categories:

Name of College where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Period ended June 2025	Period ended June 2024
	%	%	%	Kshs	Kshs	Kshs
College A	-	-	-	-	-	-
College B	-	-	-	-	-	-

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

Notes to the Financial Statements (Continued)

The College does not hold any equity investments or shareholding—either direct or indirect—in other entities as at 30 June 2025. Accordingly, there are no disclosures required relating to the number of shares, fair value, nominal value, or effective shareholding percentages for the current or comparative financial year

24. Prepayments

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

The College did not have any prepayments as at 30 June 2025. No advance payments were made for expenses such as insurance, rent, utilities, or other services relating to periods beyond the reporting date. Accordingly, no prepayments have been recognized in the financial statements for the current or comparative year."

Notes to the Financial Statements (Continued)

25. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers , printers & Intangible Assets	Plant and equipment	Work in progress (WIP)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
Depreciation Rate		2-10%	12.5%	33.3%	12.5%	-	
Cost At 1 st July ,2023	-	50,602,615	1,097,858	288,775	-	-	51,989,248
Additions	-	19,896,425	4,964,510	-	-	-	24,860,935
Depreciations	-	(1,762,476)	(757,796)	(86,633)	-	-	(2,606,905)
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As At 30th June 2024	-	68,736,564	5,304,572	202,143	-	-	74,243,279
Net Book Values	-				-	-	
At 30 th Jun 2023	-	-	-	-	-	-	-
At 30 th Jun 2024	-	68,736,564	5,304,572	202,143	-	-	74,243,279
	-				-	-	
At 30 th Jun 2024	-	68,736,564	5,304,572	202,143	-	-	74,243,279
Additions	-	-	1,858,670	1,701,700	-	26,635,903	30,196,273
Depreciations	-	(1,962,252)	(895,405)	(321,626)	-	-	(3,179,283)
Disposals	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
As At 30th June 2025	-	96,150,362	6,267,837	1,582,217	-	-	101,260,269
NBV Prior Year Audited	-	68,736,564	5,304,572	202,143	-	-	74,243,279
NBV as at end of the period June 2025	-	96,150,362	6,267,837	1,582,217	-	26,635,903	101,260,269

Work-in-Progress – Tuition Block Construction

During the reporting period ended 30 June 2025, the College commenced construction of a new tuition block to enhance teaching and learning facilities. The project is currently ongoing and is classified as Work-in-Progress (WIP) under non-current assets. As at the reporting date, all costs incurred—comprising architectural design, site preparation, materials, and initial construction work—have been capitalized as WIP.

The construction is progressing as planned and is expected to be completed by **September 2025**, after which the asset will be transferred to property, plant, and equipment and depreciated over its useful life in accordance with the College's accounting policy.

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets have not been revalued a professional valuer. These amounts were adopted in the financial statements.

25 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	99,875,090	3,724,728	96,150,362
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	1,582,217	408,259	644,217
Office Equipment, Furniture, And Fittings	6,267,837	1,653,201	6,267,837
Total	108,848,603	5,786,188	101,260,269

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Notes to the Financial Statements (Continued)

26. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	3,004,317		655,120	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	3,004,317		655,120	
Ageing analysis:	2024-2025 FY	% of the Total	2023-2024FY	% of the Total
Under one year	3,004,317	100%	655,120	100%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total (to tie to totals above)	3,004,317	0%	655,120	0%

27. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees paid in advance	-		22,719	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		22,719	
Ageing analysis:	2024-2025 FY	% of the Total	2023-2024FY	% of the Total
Under one year	-	%	22,719	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	22,719	100%

Brief explanation

As at 30 June 2025, the College had no refundable deposits from customers or trainees. In the prior year, the balance of KShs 22,719 represented fees paid in advance by trainees, which were fully utilized within the current reporting period.

The ageing analysis shows that all refundable deposits reported in the prior year were under one year old and have since been cleared. No caution money or other refundable deposits were recorded during the current or comparative periods.

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

Notes to the Financial Statements (Continued)

28. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

The College did not have any deferred income as at 30 June 2025. No funding from the National Government, international bodies, or public contributions and donations was received in advance for future periods. As such, no amounts have been recognized under deferred income in either the current or the comparative year.

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Notes to the Financial Statements (Continued)

29. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Period ended June 2025	Period ended June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

The College also contributes to the statutory National Social Security Fund (NSSF), a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently ranging from Kshs 480 -4,320 per employee per month. The College does not operate any other defined contribution pension schemes. Employer contributions to NSSF are recognized as expenses in the statement of financial performance in the period in which they are incurred.

30. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Adjusted for:		
Depreciation	3,179,283	2,606,905
Working Capital Adjustments		
Increase in Inventory	(5,271,503)	(712,560)
Increase in Receivables	(51,176,649)	(10,882,172)
Increase in Payables	2,349,197	655,120
Increase in Payments received in advance	00	22,719
Net Cash Flow from Operating Activities	(50,919,672)	(8,309,988)

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

31. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	10,882,172	10,882,172	-	-
Receivables from non-exchange transactions	00	00	-	-
Bank balances	40,994,939	40,994,939	-	-
Total	51,877,111	51,877,111	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	24,802,520	24,802,520	-	-
Receivables from non-exchange transactions	37,256,301	37,256,301	-	-
Bank balances	14,127,751	14,127,751	-	-
Total	76,186,572	76,186,572	-	-

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Notes to the Financial Statements (Continued)
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 board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 0-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)			-	
Trade Payables	-	655,120	-	655,120
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	655,120	-	655,120
At 30 June 2025 (current year)			-	
Trade Payables	-	3,004,317	-	3,004,317
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	3,004,317	-	3,004,317

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The College is not exposed to significant transactional currency risk. Such exposure typically arises from the purchase of goods and services denominated in currencies other than the Kenyan Shilling. Foreign currency-denominated invoices are generally settled within 30 days from the invoice date, using the prevailing exchange rate at the time of payment.

As at the end of the reporting period, the College had no outstanding foreign currency-denominated monetary assets or liabilities. Accordingly, there was no material exposure to foreign currency risk.

b) Interest rate risk

Interest rate risk refers to the potential adverse impact on the College's financial position resulting from changes in interest rate levels. The College is exposed to interest rate risk primarily through its bank deposits, which are subject to variable interest rates. This results in exposure to cash flow interest rate risk, as fluctuations in interest rates directly affect the income earned on these deposits.

The College does not have any borrowings or other interest-bearing liabilities and, therefore, its exposure to interest rate risk is limited to movements in market interest rates on its deposit holdings.

Management of interest rate risk

In future the college will manage the interest rate risk, management will endeavour to bank with institutions that offer favourable interest rates. Going forward, the College will adopt a proactive approach by placing deposits with financial institutions that offer competitive and stable interest rates. Management will continuously monitor market trends and interest rate movements to ensure that the College maximizes returns on its deposits while minimizing exposure to interest rate volatility.

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Sensitivity analysis

In the future, the College will assess its interest rate exposure dynamically by performing sensitivity analyses. This process involves evaluating the potential impact of defined interest rate shifts on profit or loss, assuming all other variables—particularly foreign exchange rates—remain constant. The sensitivity analysis methodology is consistent with that applied in the prior year.

Based on the end-of-year figures, a 1 percentage point increase or decrease in prevailing floating interest rates would result in a corresponding decrease or increase in the College's interest income.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	40,994,939	49,304,928
Capital Reserve	-	-
Total Funds	14,127,751	49,304,928
Total Borrowings	-	-
Less: Cash and Bank Balances	(14,127,751)	(40,994,939)
Net Debt/(Excess Cash and Cash Equivalents)	24,623,783	8,309,989
Gearing	66%	20%

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32. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity and water from kplc and other govt service providers	180,070	10,075
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	347,517	-
Others (<i>specify</i>)	-	-
Total	527,587	10,075
b) Grants /Transfers from the Government		
Grants from National Govt	16,385,996	116,850,183
Grants from County Government	-	-
Donations in Kind	-	-
Total	16,385,996	116,850,183
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	-	-
Payments for Goods and Services	-	-
Total	-	-

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Description	2024-2025	2023-2024
	Kshs	Kshs
d) Key Management Compensation	-	-
Directors' emoluments	1,605,800	105,000
Compensation to Key Management	-	-
Total	1,605,800	105,000

33. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	38,000	-
Additions	900,000	-
At end of the year	938,000	-
Additions—internal development	-	-
At end of the year	938,000	-
Amortization and impairment		
At beginning of the year	938,000	-
Amortization	312,354	-
At end of the year	625,646	-
Impairment loss	-	-
At end of the year	625,646	-
NBV	625,646	-

*The college amortizes its intangible assets using the **straight-line method** over their estimated useful lives. Intangible assets that are determined to have a **finite useful life of 3 years** are amortized at the rate of **33.3% per annum**.*

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33. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	10,000,000	40,000,000
Total	10,000,000	40,000,000

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

34. Events After The Reporting Period

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

35. Ultimate And Holding College

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

36. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor (Basis for Qualified Opinion), and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CRO/KIHARU-TVC/2023/2024/(12)	1. Lack of Ownership Documents for Property, Plant and Equipment	Management acknowledged the issue and indicated that efforts are ongoing to locate or obtain the necessary ownership documents. They have committed to improving record-keeping practices and liaising with relevant authorities or former owners to resolve documentation gaps.	Not Resolved	2025-2026 FY
OAG/CRO/KIHARU-TVC/2023/2024/(12)	2. Variance in Receivables from Exchange Transactions	The statement of financial position and as disclosed in Note 15 to the financial statements reflect current portion of receivables from exchange transactions (student debtors) of Kshs.10,882,172 which differs with supporting schedule of Kshs.2,392,265 resulting to unreconciled and unexplained variance of Kshs.8,489,907. In the circumstances, the accuracy and validity of the student debtors balance of Kshs.10,882,172 could not be confirmed.		
OAG/CRO/KIHARU-TVC/2023/2024/(12)	3. Unsupported.; Inventory Balances	Management explained that the unsupported inventory was primarily due to legacy systems and transitional challenges during inventory system upgrades. They have since initiated corrective measures, including regular stocktakes,	Not Resolved	2025-2026 FY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reconciliation processes, and enhanced documentation procedures to ensure future balances are verifiable.		
OAG/CRO/KIHARU-TVC/2023/2024/(12)	4. Non-Compliance with Principles of Equal Opportunities for All	Examination of human resource records indicated that the college had eleven (11) members of staff. However, no persons living with disability has been employed by the College contrary to Section B.23 of Human Resource Policies and Procedure Manual May,2016 for the public service on rights and privileges of persons with disabilities	Not Resolved	2025-2026 FY
OAG/CRO/KIHARU-TVC/2023/2024/(12)	5.Non-Remittance Statutory Dues	The statement of financial performance and as disclosed in Note 9 to the financial statements reflect employee cost amount of Kshs.1,621,500. However, review of documents and records revealed that from the month of September 2023 to June 2024 no statutory deductions consisting of NHIF, NSSF were made on the salaries and wages of members of staff contrary chapter 226 of Employment Act 2023.	Not Resolved	2025-2026 FY
OAG/CRO/KIHARU-TVC/2023/2024/(12)	6.Lack of Approved Budget	The statement of comparison of budget and actual amount for the year under review disclosed a final budget of Kshs.134,067,111. However, review of budget documents provided for audit revealed that the budget was not approved contrary to Regulation 44 (2) of the Public Finance	Not Resolved	2025-2026 FY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Management (National Government Regulations) 2015.		
OAG/CRO/KIHARU-TVC/2023/2024/(12	7.Lack of Internal Audit Unit	Examination of documents provided for audit revealed that the College did not have an internal audit unit contrary to section 73 of the Public Finance Management Act,2012. In the circumstances, the effectiveness of the internal control systems in place at the College could not be confirmed.	Not Resolved	2025-2026 FY
OAG/CRO/KIHARU-TVC/2023/2024/(12	8.Lack Internal Control Policies	Review of records provided for audit indicated that the College does not have approved key internal control polices and procedure manuals which consist of risk management policy, disaster recovery plan, IT policy, Human resource manual, strategic plan and the procurement plan.	Not Resolved	2025-2026 FY



Dr. Daniel K. Wahungu PhD
Accounting Officer
Principal/Sec BoG.
Date: 02/12/2025

Appendix II: Projects Implemented by Kiharu Technical and Vocational College

Projects

Projects implemented by the State Corporation.

Status of Projects completion

(Summary status of project completion at the end of financial year, i.e. total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	TUITION BLOCK	37,803,905	17,820,125	70%	40,000,000	37,803,905	MINISTRY OF EDUCATION SDTVET
2	WORKSHOPS	9,195,236	9,195,236	100%	10,000,000	9,195,236	MINISTRY OF EDUCATION SDTVET

Summary

Tuition Block Project

The Tuition Block project has reached approximately 70% physical completion, with KES 17,820,125 expended to date out of a total project cost of KES 37,803,905. The project was allocated KES 40,000,000 in the current budget, and actual expenditure matched the total project cost as reported. The project is funded by the Ministry of Education through the State Department for Technical and Vocational Education and Training (SDTVET).

Workshops Project

The Workshops project has been fully completed (100%), with KES 9,195,236 expended, which is in line with the total project cost. The project had a budget allocation of KES 10,000,000, and the actual expenditure was within budget. Funding was also provided by the Ministry of Education – SDTVET.

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Appendix III- Inter-College Confirmation Letter

Name of transferring entity...**State Department for Technical, Vocational Education and Training**

Name of beneficiary College..... **Kiharu Technical and Vocational College**


Confirmation of amounts received Kiharu Technical and Vocational College as at 30th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP9/45(33)	26/07/2024	500,000	00	500,000	Fully Utilised
BULK24275TGXN9	02/10/2024	500,000	00	500,000	Fully Utilised
BULK250215TCBF	21/01/2025	500,000	00	500,000	Fully Utilised
FT2512809XD6	08/05/2025	00	10,000,000	10,000,000	Fully Utilised
BULK25155G7V36	04/06/2025	500,000	00	500,000	Fully Utilised
BULK25155WKCQO	05/06/2025	2,000,000	00	2,000,000	Fully Utilised
BULK25168ZCV7Z	17/06/2025	500,000	00	500,000	Fully Utilised
Total		4,500,000	10,000,000	14,500,000	Fully Utilised

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

Head of Accounts Department - Disbursing College:

Name Sign Date

Head of Accounts Department - Beneficiary College:

Name: CPA Hannah Mwangi. Sign:  Date: 02/12/2025