

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 14 APR 2026 DAY: Tuesday

TABLED BY:	Hon. Naomi Wago, CBS, MP (Deputy Majority Whip)
CLERK-AT-THE-TABLE:	Inzoga Mwale, HSC

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**GITHUNGURI TECHNICAL AND
VOCATIONAL COLLEGE**

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



GITHUNGURI 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)**

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**

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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
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with Githunguri TVC financial resources.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The *Githunguri Technical and Vocational College* was incorporated/ established under the TVET Act 2013. Githunguri TVC is domiciled in Kenya .

The Institution is under the Ministry of Education.

b) Strategic intent of the Board of Governors

The core intent of Githunguri TVC focuses on

- i. Training
- ii. Research and Innovation
- iii. Creating partnerships and engaging with stakeholders
- iv. Integration of information communication technology in training

c) Principal activities are;

- i. Training in technical skills
- ii. Carrying out Research and Innovation
- iii. Linking with industries

d) Vision

A world class center of Excellence in equipping trainees with Technical and Business Skills, Research and Innovation.

e) Mission

To produce competent graduates with knowledge and practical skills, relevant to Labour, market and self-reliance

f) Core Values

- i. Excellence
- ii. Integrity
- iii. Team work
- iv. Customer focus
- v. Honesty
- vi. Accountability
- vii. Corporate Social Responsibility

g) Key Management

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

- Board of Governors and Management.

a) Fiduciary Management

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

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SN.	Designation	Name
1.	Principal	Cosmas M. Mwangi
2.	Deputy principal (Finance/Academics)	Penninah W. Njenga
3	Acting Registrar (s)	Teresia Githinji
4	Acting Dean of students	Wangui Njogu

(a) Fiduciary Oversight Arrangements

1) Audit and risk committee activities

- i. Establish internal controls
- ii. Oversight in financial reporting
- iii. Oversight in internal audit function
- iv. Risk oversight
- v. Overview of the independent auditor report
- vi. Advice the board on ethics and compliance to legal provisions

2) Finance and operations committee activities

- i. Oversee the preparation of the budget and its implementation
- ii. Monitor the expenditure against the budget during the year
- iii. Ensure compliance on governance structure and requirements
- iv. Coordination of financial matters as relates to the college
- v. Recruitment of appropriate human resources and oversight on implementation of development plans

3) Academic committee activities

- i. Oversee the implementation of the curriculum
- ii. Ensure provision of training facilities to the trainees
- iii. Periodic review the performance of trainers and trainees
- iv. Encourage collaboration with the industry in dual training
- v. Advise the BOG on the motivational plans for trainees and trainers

(b) Githunguri TVC Headquarters

P.O. Box 54-0232
Ruiru. Ruiru - Githunguri Road
, KENYA

(c) Githunguri TVC Contacts

Telephone: (254) 0794119384
E-mail: githunguritvc@gmail.com
Website: githunguritvc.ac.ke

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- (a) **Githunguri TVC Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- Other Commercial Banks
- (b) Equity bank of Kenya
Ruiru Branch
- (c) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (d) **Principal Legal Adviser**

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





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3. THE BOARD OF GOVERNORS

S/NO	MEMBER'S NAME	DESIGNATION	DATE OF BIRTH	QUALIFICATION & OCCUPATION	PASSPORT PHOTO
1.	Ruth Nduta Wanjau	Chairperson	1961	Professor- Chemistry University Lecturer	
2.	Bernard Mbatia	Member Chairperson - Finance committee	1973	MBA/ Accounts Accountant- Grant & Compliance Manager	
3.	Lucy Wairimu Kabera	Member Chairperson - Education Committee	1945	Professor in Education University Lecturer	
4.	Priscillah Kerebi	Member	1976	BA/Dip. Project Planning & Management Director-Business Development Entrepreneur	
5.	Daud Hujale Ali	Member	1974	BSC- Construction Management. Engineer	
6.	Kimani Waweru	Member Chairperson - Audit and Risk Committee	1982	Bachelors in Law Practicing Lawyer	
7.	Linda Achieng Ayanda	Member	1991	MSC. Information System. I.T Support Analyst	
8.	Cosmas M. Mwangi	Principal/ BOG Secretary	1967	BBA/CPA/Dip Education Technical Trainer	
9.	Fr. Micheal Muchai	Member - Governor representative	1979	Catholic Priest	

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4. KEY MANAGEMENT TEAM

S/NO	MEMBER'S NAME	DESIGNATION	DATE OF BIRTH	QUALIFICATION & OCCUPATION	PASSPORT PHOTO
10.	Cosmas Maruga Mwangi	Principal/ BOG Secretary	13/10/1967	BBA/ CPA Dip Tech in Ed Principal	
11.	Penninah Wanjiru Njenga	Deputy Principal	18/05/1971	BSC Horticulture Post Graduate diploma in Education Deputy Principal	
12.	Teresia Nyathira Githinji	Acting Registrar	28/10/1978	BED Acting Registrar	
13.	Njuguna Wangui Njogu	Acting Dean of students	13/12/1977	BSC- Clothing Technology Acting Dean of students	

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5. CHAIRMAN'S STATEMENT

During the financial year 2024/25, the board made significant steps in its endeavors to achieve the strategic objectives of the college which were aimed at improving the technical training. The BOG made request to the state department of housing for consideration in the construction of hostels under the Affordable Housing programme which will offer accommodation to the trainees. As the construction process is underway the board approved the outsourcing of hostel facilities at affordable rates from the local community this will improve enrolment of trainees from other counties. The board approved the construction of fashion and design workshop from the development funds which were allocated to the institution by the national government.

In order to streamline its operations, the board prepared and approved the Board Charter, finance policy, and the academic policy for the college. In addition, it has started the process of developing strategic plan for the college which will guide in providing a roadmap towards achieving its vision and mission. Mobilization of human and capital resources become a major priority as the college endeavor to stabilize operations of the entity however, limited funding from the stakeholders have been identified as a critical impediment towards achievement of its goals. The college had anticipated to receive tools equipment from the State department of TVET, a dream which was not realized. Government funding was limited and delayed whereas payment of fees by trainees was poor hence realizing a fees balance of over Shs.2.9 million at the end of the financial period.

The Ministry has changed the Curriculum to modular so as to enable trainees attain partial certificates faster and be ready for the job market. In addition the college acquired tools and equipment from fees collected in order to facilitate practical training as envisaged by the new curriculum. The trainees have positively appreciated the new policy which will be fully adopted in January 2026. Due to increase in enrolment the revenue from exchange transactions improved and expenditure also increased mainly due to hire of additional trainers by the Board of Governors. The college received donations from a partner (GIZ) in form of furniture worth Shs.388, 917. The college received development grants of shillings ten million (10 million) from the State department of TVET for the construction of workshops/ tuition rooms and the process of construction has started.



Prof. Ruth Wanjau
BOG Chairperson.

Date: 27th August 2025.

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6. REPORT OF THE PRINCIPAL

During the second year of its operations Githunguri TVC has made significant strides towards achieving its mandate of training in diverse technical skills. This is aimed to provide skilled labour force to the country and hence improve the living standards of the citizens. Basic infrastructure has been put in place by the Board of Governors and strategies to improve enrolment have been adopted. Enrolment of trainees pursuing different courses has improved from thirty six (36) trainees to one hundred and forty two (142) trainees during the financial year under review.

The Board of Governors developed a Board Charter to guide its activities. In addition, it has started the process of developing strategic plan for the college which will guide in providing a roadmap towards achieving its vision and mission. Mobilization of human and capital resources become a major priority as the college endeavor to stabilize operations of the entity however, limited funding from the stakeholders have been identified as a critical impediment towards achievement of its goals. The college had anticipated to receive tools equipment from the State department of TVET, a dream which was not realized. Government funding was limited and delayed whereas payment of fees by trainees was poor hence realizing a fees balance of over Shs.2.9 million at the end of the financial period.

Summative and formative assessment of trainees at various levels has been going as per the curriculum and trainees with appropriate skills proceeding for industrial attachment. The college had over forty (40) trainees being assessed by TVET-CDACC and have been awarded certificate of competencies as per individual performance. The Ministry has changed the Curriculum to modular so as to enable trainees attain partial certificates faster and be ready for the job market. In addition the college acquired tools and equipment from fees collected in order to facilitate practical training as envisaged by the new curriculum. The trainees have positively appreciated the new policy which will be fully adopted in January 2026. Due to increase in enrolment the revenue from exchange transactions improved and expenditure also increased mainly due to hire of additional trainers by the Board of Governors. The college received donations from a partner (GIZ) in form of furniture worth Shs.388, 917.

The college mounted three income generating courses in computer proficiency, cosmetology and fashion design, additional courses/ income generating activities will be developed in the near future.

The college received development grants of shillings ten million (10 million) from the State department of TVET for the construction of workshops/ tuition rooms and the process of construction has started. The Area Member of parliament Hon. Gathoni Wamuchomba has promised to facilitate the construction of a fence and also assist with water tanks to alleviate the problem of frequent water shortage. The college continues as a going concern as it navigates through the changing social and economic challenges.



Cosmas M. Mwangi
Principal / BOG Secretary.

Date: 27th August 2025.

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7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The provision of technical skills to the citizens is a key priority of the current government as it endeavors to tackle the unemployment situation and create better living standards for its people. The achievement of this noble goal will be realized upon provision of the requisite resources to Githunguri TVC, as indicated in the financial statements the recurrent and development grants provided is below expectations of the intention and hence the institution has been struggling to meet the expected objective. In addition, the key stakeholders have not put necessary efforts towards realization of the institutional objectives.

Githunguri TVC has 4 strategic pillars and objectives within current Strategic Plan for the FY 2024 /2025.

These strategic pillars are as follows:

Pillar 1: Training ,Research and Innovation

Pillar 2: Information Technology integration in training

Pillar 3: Good governance and sound financial management

Pillar 4: Partnerships, linkages and networking

Githunguri TVC develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Githunguri TVC achieved its performance targets set for the FY 2024/2025

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Training research and innovation	Train, develop and equip trainees with relevant skills	provision of required resources and Monitor training	Provide training tools, equipment and materials	Over 100 trainees enrolled and trained
Information Technology integration	Establish ICT department	Provision of training facilities in ICT	Avail human and other resources as required	Established a department Acquired computers and accessories
Good governance and sound financial management	Prepare annual budgets Develop fees collection policy	Prepare budgets as per vote heads Ensure budget approval Fees structure developed as per guidelines	Prepare budgets Approval of budgets by BOG	Budget for 2024/2025 developed Approval of budget
Partnerships, linkages and networking	Improve the college online presence Engage targeted partners in negotiation	Establish online platforms Identify the partners to engage Sign MOUs	Establish online platforms Identify the partners to engage Sign MOUs	Established a website Identified partners Signed MOUS with two firms to

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8. CORPORATE GOVERNANCE STATEMENT

The Board of Governors has held four full board meetings as per the TVET Act and other appropriate legislation and has three active committees, Planning, Finance and Human Resources, Audit and Risk committee and Academic Committee the Board consist of eight members appointed by the Cabinet Secretary Ministry of Education and the principal is the secretary to the Board of Governors. During the year it developed Board Charter which guides its operations. Through the scheduled BOG and Committee meetings it has managed to carry out its activities.

The Functions of the Board of Governors Include;

- (i) Discuss and approve the budget for each financial year and approve the financial statements prepared at the end of the financial period.
- (ii) Administer and manage the property of the institution
- (iii) Develop and implement the institution strategic plan
- (iv) Negotiate and approve the performance contracts
- (v) Determine the fees payable and approval of the methods of payment
- (vi) Receive on behalf of the institution fees, grants, donations, subscriptions etc.
- (vii) Determine suitable terms and conditions of service of the support staff, trainers and renovate the staff.
- (viii) Recruit and appoint trainers from among the qualified professionals.
- (ix) Prepare annual financial statements and submit to the relevant authority.
- (x) Provide the welfare of the students and staff of the college.

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Board of Governors Meeting Attendance

BOG Member	Date Appointment	Date of Retirement	Responsibility	Membership & Attendance	Full Board meeting	Finance, HR and Planning	Education committee	Audit & Risk
Prof. Ruth Wanjau	3 rd April 2023	2 nd April 2026	Current Chairperson of the Board	Membership	√			
				Attendance	4/4			
Bernard Mbatia	3 rd April 2023	2 nd April 2026	Chairperson Finance, HR and Planning	Membership	√	√		
				Attendance	4/4	2/2		
Prof. Lucy Kibera	5 th May 2023	4 th May 2026	Chairperson of Education committee	Membership	√		√	
				Attendance	4/4			
Priscilla Kirebi	3 rd April 2023	2 nd April 2026	Member in Finance, HR and Planning	Membership	√	√		
				Attendance	4/4	2/2		
Daudi H. Ali	3 rd April 2023	2 nd April 2026	Member of Audit and Risk Committee	Membership	√			√
				Attendance	4/4			1/1
Kimani Waweru	3 rd April 2023	2 nd April 2026	Chairperson of Audit and Risk Committee	Membership	√			√
				Attendance	3/4			1/1

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BOG Member	Date Appointment	Date Retirement	Responsibility	Membership & Attendance	Full Board meeting	Finance, HR and Planning	Education committee	Audit & Risk
Linda Achieng	3 rd April 2023	2 nd April 2026	Member of Education committee	Membership	√		√	
				Attendance	2/4			
				Attendance	0/4			
Cosmas M. Mwangi			Principal/ BOG Secretary	Membership	√	√	√	
				Attendance	4/4	3/3		
Maryanne Abdi.			Principal Secretary TVET representative	Membership	√	√	√	
				Attendance	2/4			

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Process of Council Members Appointment

The Board was appointed by the Cabinet Secretary Ministry of Education, with effect from 3 April 2023 for a term of three years. There are eight (8) Board members comprising of the Chairperson, one member representing Principal Secretary Ministry of Education, five (5) independent members. The Principal is an *ex-officio* member of the Board.

Subject to the provisions of the TVET Act 2013, the office of a member of the Board shall become vacant if the member:

- a) Resigns by notice in writing addressed to Cabinet Secretary
 - b) Is unable to perform the functions of the Office by reason of prolonged physical or mental incapacity.
 - c) Is adjudged bankrupt by a court of competent jurisdiction or enters into a composition or scheme of arrangement for the benefit of creditors
 - d) Is guilty of gross misconduct
 - e) Fails to meet requirements of chapter six of the Constitution
- Or
- f) Is convicted of an offence and sentenced to imprisonment for a period of six months or more.

The appointment of Board members shall:

- a) Take into account ethnic and gender balance
- b) Promote inclusion of persons with disability, minorities and marginalized and
- c) Ensure balanced cores skills and competencies amongst the members

Process of Board Member Removal.

Where the office of a member of the Board becomes vacant the Cabinet Secretary may subject to the provisions of TVET Act 2013, appoint another person to fill the vacancy for the unexpired term of such member.

Notwithstanding the generality of the foregoing any member of the Board suspected of having contravened chapter six or chapter thirteen of the Constitution shall vacate office to pave way for investigations.

Committees of the Board

In order to facilitate the smooth running of its affairs, the Board establishes such committees with the membership and with such terms of reference as it may deem fit. The following committees were in place during the financial year 2024/2025.

- i. Education Committee
- ii. Finance, Human Resource and Planning Committee

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iii. **Audit and Risk Management Committee.**

The Board nominates the Chairperson of each committee of the Board provided that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect one person from among them to chair the meeting. The Chairperson of the Board and the Principal are ex-officio members of every committee of the Board.

Board Remuneration

The Board members do not receive a salary. They are however paid a sitting allowance for every scheduled meeting attended. The Chairman also receives a monthly honorarium. The sitting allowance paid to the Board members is determined by Cabinet Secretary of Education from time to time.

Shared Believe

The Board and management have a shared believe that corporate governance is a continuous process and that good corporate governance must be embedded in our culture to support our values of discipline, high moral standards and integrity which are fundamental to the long-term success and sustainability of our mandate as an institution of higher learning



Prof. Ruth Wanjau

CHAIRPERSON OF BOARD

Date: 27th August 2025.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

The newly established college started to develop its operational strategies in September 2023 after meeting with the key stakeholders which included the local leaders and the Board of Governors. The college has developed a plan intended to drive positive change within and outside, ensure continuity in the foreseeable future. It has held several meetings with the stakeholders as it embarks on its strategies and be fully operational. The college has however encountered several challenges in its endeavors to achieve its objectives. The government through the state department was expected to provide training equipment and relevant tools however this has not been realized. Low uptake of training opportunities from the local community and low political goodwill hinder implementation of its plans during the year. The college realized only 60% of the expected revenue due to poor payment of fees by trainees which was used for paying recurrent expenditure. This led to significant variation between the budget and the actual performance of the college. The college faced challenges which include;

- a. Inadequate tools and equipment
- b. Shortage of trainers
- c. Fencing of the institution by NG-CDF
- d. Acquire the relevant infrastructure
- e. Insufficient funding
- f. Water shortage

A) Operational and financial performance

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Githunguri TVC as at 30 June 2025 and its changes in financial position for the period under review as compared to the period ended 30th June, 2024.

This report covers the period between 1 July 2024 to 30 June, 2025 as stipulated by the reporting template issued by the National Treasury

Staffing as at 30 June 2025 was as follows:

During the period under review, Githunguri TVC had a staff of 10 staff (males -3 and females – 7)

Description	M	F	Total
PSC Trainers	1	5	6
BOG Trainers	2	0	2
BOG Non- Trainers	0	2	2
TOTAL	3	7	10

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Student Enrolment as at 30 June 2025 was as follows:

During the period ended, Githunguri Technical & Vocational College had six (6) Academic departments, offering Level4, 5 & 6. The trainees' enrolment was as follows;

S/No	Academic Department	Trainee Enrolment		
		Male	Female	Total
1.	Electrical & Electronics	25	08	33
2.	Building & Civil Engineering	38	10	48
3.	Fashion Design	0	16	16
4.	Cosmetology	02	14	16
5.	Computing & informatics	17	10	27
6.	Business Studies & Entrepreneurship	01	01	02
	TOTAL	83	59	142

The college had one hundred and forty-two (142) trainees who were registered by the end of the financial period. However, only ninety-two (92) were active as eight (8) trainees had dropped out and forty-two (42) trainees deferred training due to difficulties in fees payment. During the April – August 2025 Semester twenty-seven (27) trainees proceeded for three months attachment at different industries as per their areas of specialization.

Financial Highlights

Githunguri Technical & Vocational College financial report includes four financial statements which include;

- i. Statement of financial performance
- ii. Statement of financial position
- iii. Statement of cash flow
- iv. Statement of comparison of Budget and Actual amount.

These statements focus in the financial performance of the college from the statements the following were noted:

- a. The college realized a net surplus of Shs.1, 876, 132.
- b. The college had a net worth of Shs.131, 369, 734. However, actual valuation of land to establish the correct value has not been done.
- c. The cash flow statement shown a cash balance of Shs.11, 352, 265 of which Shs.10, 000, 000 (ten million) is a development fund from Government indicating that the college is not facing a going concern risk.

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Major risks facing Githunguri Technical & Vocational College

The college is likely to face risks that are related to resources operations, strategies and technology as emulated below;

- a) Resistance to change in the implementation of modular programmes as advocated by the Ministry of Education by some stakeholders.
- b) Inadequate or delay funding from Government and related bodies.
- c) Resistance by stakeholders to adopt new technological changes
- d) Poor economic performance of key sectors which support training.
- e) Political uncertainties which may affect cohesion of society and long term survival training institution.

In order to limit the effects of the above risks, it would be necessary to ensure the official integration of resources available to Githunguri Technical & Vocational College and maintain close consultation with the stakeholders.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

During the financial year 2024/2025, Githunguri TVC actively participated in greening which include:

- i. Planting of trees at Kinare forest, Kamiti river Githiga and Komothai Primary school.
- ii. Setting up of tree nursery with collaboration of the Kenya Forest Services
- iii. Distribution of the trees for planting to the neighbourhood as coordinated by the local administration
- iv. Planting of trees within the college
- v. Participating in the TVET tree planting and greening activities

Other sustainable development activities are being development to assist the community and promote biodiversity within the community.

Corporate Social Responsibility / Community Engagements

During the year the college participated in various CSR activities which included;

- i. Tree planting activities within Githunguri Sub- County.
- ii. Trainees participating in the cleaning up exercises within the nearest shopping center
- iii. Distribution of trainees to the local National Government offices within the locality.

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11. REPORT OF THE BOARD OF GOVERNORS

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

Principal activities are;

- i. Training in technical skills
- ii. Carrying out Research and Innovation
- iii. Linking with industries

Results

The results of the Githunguri TVC for the year ended 30th June 2025 are set out on page 1 to 28

Board of Governors

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

Auditors

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

By Order of the Board



.....
COSMAS M. MWANGI
SECRETARY TO THE BOARD

Date: 27th August 2025.

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12. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITY

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

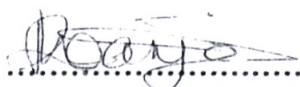
The Board members are responsible for the preparation and presentation of the Githunguri TVC financial statements, which give a true and fair view of the state of affairs of the Githunguri TVC for and as at the end of the financial year (period) ended on **30 June 2025**. This responsibility includes: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

The Board members accept responsibility for the Githunguri TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The Board members are of the opinion that the Githunguri TVC financial statements give a true and fair view of the state of Githunguri TVC transactions during the financial year ended **30 June, 2025**, and of the Githunguri TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Githunguri TVC, which have been relied upon in the preparation of the Githunguri TVC financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:



Prof. Ruth Wanjau
CHAIRPERSON



Cosmas M. Mwangi
PRINCIPAL\ BOG SECRETARY

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GITHUNGURI 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 Githunguri Technical and Vocational College set out on pages 1 to 32 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Githunguri Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training (TVET) Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects purchase of property, plant, equipment, and intangible assets current and comparative balances of Kshs.323,950 and Kshs.689,570 while the corresponding Note 16 to the financial statements reflects additions of Kshs.712,867 Kshs.845,570 respectively resulting to variances of Kshs.388,917 and Kshs.156,000 which was not explained or supported.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Long Outstanding Trade and Other Payables

The statements of financial position and Note 17 to the financial statements reflects a balance of Ksh.999,309 for trade and other payables from exchange transactions. Documents provided for audit revealed that these were outstanding payables owed to Kabete National Polytechnic for payments in respect to the operations funded between 7 June, 2023 and 7 September, 2024 for the operationalization of the Institution. No explanation was provided as to why the funds had not been remitted. Further, the Institution did not have a credit policy.

In the circumstances, the accuracy and validity of trade and other payables from exchange transactions balance of Kshs.999,309 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Githunguri 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 actual revenue of Kshs.8,545,692 against actual expenditure of Kshs.6,669,560 resulting to under-utilization of Kshs.1,876,132 or 32% of the expenditure budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

	Financial Year	Audit Issue
1	2023/2024	Lack of Land Ownership Documents
2	2023/2024	Unsupported Trade Payables from Exchange Transactions
3.	2023/2024	Long Outstanding Receivables from Exchange Transactions
4.	2023/2024	Unsupported Expenditure on Repairs and Maintenance
5.	2023/2024	Budgetary Control and Performance
6.	2023/2024	Late Submission of Financial statements
7.	2023/2024	Irregularities in Board of Governors Expenditure
8.	2023/2024	Irregular Procurement of Office Furniture and General Equipment
9.	2023/2024	Irregularities in Administration Costs
10.	2023/2024	Excessive Use of Cash in Operation Expenditure
11	2023/2024	Non-Remittance of Statutory Deductions
12.	2023/2024	Lack of Board Survey and Examination of Cashbooks
13.	2023/2024	Lack of Vital Policy Documents
14.	2023/2024	Non-Adherence to Quarterly Meetings
15.	2023/2024	Lack of Approved Organizational Structure and Staff Establishment

Other Information

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

In connection with my audit of the Githunguri Technical and Vocational College 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. Irregularities in Procurement of Wooden Lecture Chairs and Book Holder

The statement of financial position reflects property, plant and equipment balance of Kshs.128,162,309 as disclosed in Note 16 to the financial statements. Included in the balance is additions for the year for purchase of furniture and fittings amounting to Kshs.588,867 which include Kshs.199,950 for the purchase and supply of fifty (50) wooden lecture chairs with metallic legs and book holder from a local company. However, the professional opinion and inspection and acceptance reports were not provided for audit review.

In the circumstances, Management was in breach of law.

2. Failure to Open a Development Bank Account and Student Caution Money Account (Refundable Deposit)

The College received an amount of Kshs.10,000,000 from the State Department for Technical Vocational Education and Training for construction of tuition block during the year under audit. As at year-end, the funds had not been utilized for the intended project and no reason was provided by Management for failure to utilize the funds as intended. The delayed utilization of the funds exposes the Institution to non-compliance with grant conditions. Further, the Institution failed to open a development bank account for capital projects.

In addition, review of statement of financial position and Note 18 reflected refundable deposit of Kshs.94,000. However, the Institution did not maintain a separate student caution money account for refundable deposits as required.

In the circumstances, holding the funds could lead to inefficiencies in project implementation and affects the timely delivery of services or outputs expected from the grant.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Vital Policy Documents

Review of documents provided for audit revealed that the Institution did not maintain approved policy documents which include, Human resource policy, Risk management policy, Staff code of conduct and ethics, Fee payment policy, Audit charter and Admission policy and procedures.

In the circumstances, the operations may not have been effectively managed and aligned to the Institution during the year under review.

2. Non-Adherence to Quarterly Meetings

It was noted that the Institution had constituted and inaugurated an Audit and Management Committee on 26 July, 2023 to provide oversight for the Institution. However, the Committee met only once during the year under review, thereby falling short of the minimum requirement of four quarterly meetings.

In the circumstances, the operations may not have been effectively managed, and weak internal controls may not have been identified and minimized.

3. Lack of Approved Staff Establishment

The staff establishment and grading structure framework were not provided for audit. It was therefore not possible to confirm whether the salaries paid during the financial year were aligned to an approved remuneration framework.

In the circumstances, efficiency and effectiveness of service delivery to the public may be lacking.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the 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.

Those charged with governance 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

15 December, 2025

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 JUNE 2025**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the Nat. Govnt' - Capitation	6	2,500,000	1,500,000
Transfers from the Nat. Govnt' - Tvet Scholarship	6	429,837	
Total Revenue from Non-Exchange Transactions		2,929,837	1,500,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	5,521,855	2,382,840
Income Generating Activities	8	94,000	
Total Revenue from exchange transactions		5,615,855	2,382,840
Total revenue		8,545,692	3,882,840
Expenses			
Use of goods and services	9	3,003,776	2,707,424
Employee costs	10	1,348,454	739,953
Council Expenses	11	480,000	381,000
Depreciation and amortization expense	12	1,568,530	1,440,318
Repairs and maintenance	13	268,800	214,100
Total expenses		6,669,560	5,482,795
Net Surplus/(Deficit) for the year		1,876,132	(1,599,955)



**Chairperson of
Council**

Date 27/08/25



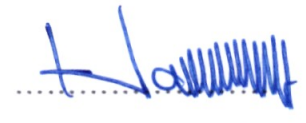
Finance Officer

Date 27/08/25



Principal

Date 27/08/2025




**Sr. Accountant ICPAK
No 23207**

Date 27/08/25

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**


15. STATEMENT OF FINANCIAL POSITION AS 30 JUNE 2025

	Notes	2024/2025	2023/2024
ASSETS			
Current Assets			
Cash and cash equivalents	14	11,352,265	315,123
Receivables from Exchange Transactions	15	2,968,469	826,899
Non-Current Assets		14,320,734	1,142,022
Property, plant and equipment	16	128,162,309	129,017,972
Total Non-Current Assets		128,162,309	129,017,972
TOTAL ASSETS		142,483,043	130,159,994
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	17	999,309	999,309
Refundable deposits from customers	18	94,000	36,000
Deferred Capital grant	19	10,000,000	
Total Current Liability		11,093,309	1,035,309
Non-current liabilities			
Total Non-Current Liability		-	-
TOTAL LIABILITIES		11,093,309	1,035,309
NET ASSETS		131,389,734	129,124,685
Revaluation Reserve	20	129,612,720	129,612,720
Retained Earning	21	276,177	(1,599,955)
Capital Fund	22	1,500,837	1,111,920
TOTAL NET ASSETS AND LIABILITIES		131,389,734	129,124,685
		0.00	0.00


Chairperson of Council


Finance Officer


Principal


Sr. Accountant ICPAI
No 23207

Date 27/08/2025

Date 27/08/2025

Date 27/08/2025

Date 27/08/2025

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**


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

	Revaluation Reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2023			0		
Valuation gain	129,612,720		-	1,111,920	130,724,640
Fair value adjustment on quoted investments					-
Total comprehensive income					-
Capital/Development grants received during the year					-
Surplus for the period			(1,599,955)		(1,599,955)
Transfer of depreciation/amortization from capital fund to retained earnings	-	-			-
At June 30, 2024	129,612,720	-	(1,599,955)	1,111,920	129,124,685
At July 1, 2024	129,612,720	-	(1,599,955)	1,111,920	129,124,685
Valuation gain	-				-
Fair value adjustment on quoted investments					-
Total comprehensive income					-
Capital/Development grants received during the year	-	-		388,917	388,917
Surplus for the period			1,876,132		1,876,132
Transfer of depreciation/amortization from capital fund to retained earnings	-	-			-
At June 30, 2025	129,612,720	-	276,177	1,500,837	131,389,734

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the Nat. Govnt' - Capitation		2,500,000	673,101
Rendering of services- Fees from students		3,341,665	2,418,840
Nat. Gvnt - Tvet Scholarship		429,837	-
Income Generating Activities		74,000	-
Total Receipts		6,345,502	3,091,941
Payments			
Use of goods and services		2,887,156	2,039,010
Employees Costs		1,348,454	565,058
Council Expenses		480,000	381,000
Repair Maintenance & Improvement		268,800	214,100
Total Payments		4,984,410	3,199,168
Net cash flows from operating activities	23	1,361,092	(107,227)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	(323,950)	(689,570)
Net cash flows used in investing activities		(323,950)	(689,570)
Cash flows from financing activities			
Government Capital Grant		10,000,000	-
Repayment of borrowings			-
Capital Grant (Internally Generated)		-	-
Net cash flows used in financing activities		10,000,000	-
Net increase/(decrease) in cash and cash equivalents		11,037,142	(796,797)
Cash and cash equivalents at 1 July 2024	14	315,123	1,111,920
Cash and cash equivalents at 30 June	14	11,352,265	315,123


Chairperson of
Council


Finance Officer


Principal


Sr. Accountant
ICPAK No 23207

Date 27/08/25

Date 27/08/2025

Date 27/08/25

Date 27/08/2025

GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2025
2024/2025

Recurrent Budget	Original Annual Budget	Adjustments	Final Annual budget	Actual Cumulative to Date	Performance Difference	% of Utilization
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
Revenue						
Transfers from other Govt entities						
Recurrent grants	2,000,000		2,000,000	2,500,000	500,000	125%
Rendering of services- Fees from students	4,703,300		4,703,300	5,521,855	818,555	117%
TVET Scholarship			-	429,837	429,837	#DIV/0!
Income Generating Activity			-	94,000	94,000	#DIV/0!
Total income	6,703,300	-	6,703,300	8,545,692	1,842,392	127%
Expenses						
Use of Goods and services	3,988,300		3,988,300	3,003,776	984,524	75%
Employees Costs	1,080,000		1,080,000	1,348,454	(268,454)	125%
BoG Expenses	500,000		500,000	480,000	20,000	96%
Repair and Maintenance	300,000		300,000	268,800	31,200	90%
Total expenditure	5,868,300		5,868,300	6,669,560	(801,260)	114%
Surplus for the period	835,000		835,000	1,876,132	1,041,132	225%

**GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025**

Development Budget	Original Annual Budget 2024-2025	Adjustments 2024-2025	Final Annual budget 2024-2025	Actual Cumulative to Date 2024-2025	Performance Difference 2024-2025	% of Utilization 2024-2025
Government Grant (Development			-	10,000,000	10,000,000	
Internally Generated (A-I-A)	835,000		835,000	1,876,132	1,041,132	225%
	835,000	-	835,000	11,876,132	11,041,132	
Purchase of property, plant, equipment and intangible assets	835,000		835,000	323,950	(511,050)	39%
Total Expenditure	835,000		835,000	323,950	(511,050)	39%
Total Surplus /(Deficit)	0	0	0	11,552,182	11,552,182	#DIV/0!

Budget Reconciliation:

1. The budget and the accounting bases differ. The financial statement is prepared on actual basis, using a classification based on the nature of expenses. The financial statement differs from the budget which is approved on cash basis.
2. The reconciliation between the actual amount on a comparable basis as presents in the statement of comparison of budget and actual amounts and the actual amount in the statement of cash flows for the year ended 30 June 2025 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: The budget is prepared on cash basis and financial statements on accrual basis.

GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025

Budget Reconciliation

Description of Particulars	2024-2025			Totals
	Operating	Financing	Investing	
Actual Amount on comparable Basis as presented in the Budget and Actual Comparative Basis Difference	1,876,132	10,000,000	(323,950)	11,552,182
Timing Difference	(515,040)			(515,040)
Entity Difference				-
Actual Amounts in the statement of Cash flows	1,361,092	10,000,000	(323,950)	11,037,142

Basis Difference

Description	Amount Kshs
Depreciation	1,568,530
Decrease / (Increase) in Receivables from Non-Exchange transactions	(2,141,570)
Increase/ Decrease in Trade Payables	58,000
Total	(515,040)

3. *Transfers from other Government entities - The college received Shs.500, 000 as recurrent grants which was for the previous financial year which lead to the increase.*
4. *Rendering of services – Due to an increasing number of the trainees admitted in the college, income from rendering of services increased than what was budgeted.*

GITHUNGURI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED
30 JUNE 2025

5. *Use of goods and services – The decrease was as a result of delay in disbursement of recurrent grants by the National Government where most of the funds were received at the end of the Financial year.*
6. *Employee costs – The increase was as a result of the failure of Ministry to deploy trainers in the institution which lead to the Board of Governors recruiting three trainers which was not budgeted.*
7. *Property Plant and Equipment – The variance on Property Plant and Equipment was as a result of delay in fees payment from trainees therefore, development projects could not have been carried out as expected.*
8. *Government Grants – The Government disbursed a development funds of ten million (shs.10, 000,000) at the end of financial year which was not budgeted for thus resulting to the increase.*
9. *TVET scholarship – The college received TVET scholarship which was part of trainees fees. The scholarship was not budgeted for thus was not in the budget amount.*
10. *Income Generating Activities – Due to high demand of Computer Packages and Beauty Therapy short courses the college started offering them as Income generating activities which yielded an income of ninety- four thousand (shs.94, 000) but was not initially budgeted.*

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19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Githunguri TVC is established by and derives its authority and accountability from TVET Act. Githunguri TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. Githunguri TVC principal activity is providing technical training skills

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Githunguri TVC accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Githunguri TVC.

The financial statements have been prepared in accordance with the Public Finance Management Act, 2013 the State Corporations Act, the TVET Act, 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

- I. **New and amended standards and implementations in issue effective in the year 30 June 2024.**

There are no new standards in the year ended 30 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 Githunguri TVC and can be measured reliably.

Recurrent grants are recognized in the statement of comprehensive income.

Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

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ii) Revenue from exchange transactions
Rendering of services

Githunguri TVC recognizes revenue from rendering 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

ii) Revenue from exchange transactions
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.

a) Budget information

The original budget for FY 2024/2025 was approved by the Board on 14th June 2024.

Githunguri TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section *XVII* of these financial statements.

b) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Githunguri TVC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its

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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.

As per Githunguri TVC Policy, assets are not depreciated in the year of acquisition.

The annual rates in use are:

Land	0%
Buildings	2.5%
Motor Vehicles	25%
Furniture & Fittings	12.5%
Computers & Printers	33.3%
Plant & Equipment	20%
Computer Software	25%
Intangible Assets	25%

c) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Githunguri TVC. 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. Githunguri TVC 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 so as 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 Githunguri TVC 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 Githunguri TVC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

d) 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

e) Research and development costs

Githunguri TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Githunguri TVC 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.

f) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Githunguri TVC determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when Githunguri TVC has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

Githunguri TVC assesses at each reporting date whether there is objective evidence that a financial asset or of financial assets is impaired and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or Githunguri TVC of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Githunguri TVC determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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i) Inventories

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

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

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

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

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

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

j) Provisions

Provisions are recognized when Githunguri TVC 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.

Githunguri TVC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Contingent liabilities

Githunguri TVC 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.

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l) Contingent assets

Githunguri TVC 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 Githunguri TVC 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) Changes in accounting policies and estimate

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

n) Employee benefits

Retirement benefit plans

Githunguri TVC provides gratuity for employees whereby upon retirement they are paid one-month basic salary for every year served.

o) 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.

p) Comparative figures

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

q) 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, 2023.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Githunguri TVC is 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 Githunguri TVC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 18 (a).

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

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6. TRANSFER FROM OTHER NATIONAL GOVERNMENT ENTITIES

Description	2024/2025 KShs	2023/2024 KShs
Unconditional Grant		
Recurrent Grants	2,500,000	1,500,000
TVET Scholarship	429,837	
Total Unconditional Grant	2,929,837	1,500,000
Development Grants	10,000,000	-
Total Conditional Grants	10,000,000	-
Total Government Grants	12,929,837	1,500,000

This includes money received as recurrent grants and development funds for the construction of a Tuition Block

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(6b). TRANSFER FROM OTHER NATIONAL GOVERNMENT ENTITIES

<i>Name of the Entity sending the grants</i>	Amount recognized to Statement of Comprehensive Income	Amount Deferred Under Deferred Income	Amount recognized in capital fund.	Total Grant income during the Year	Amount recognized to Statement of Comprehensive Income	Amount Deferred Under Deferred Income	Amount recognized in capital fund.	Total Grant income during the Year
	As at 30 June 2025	As at 30 June 2025	As at 30 June 2025	As at 30 June 2025	As at 30 June 2024	As at 30 June 2024	As at 30 June 2024	As at 30 June 2024
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
<i>Ministry of Education</i>				-				-
<i>Development Grants</i>			10,000,000	10,000,000				-
<i>Recurrent Grants</i>	2,500,000			2,500,000	1,500,000			1,500,000
<i>Tvet scholarship</i>	429,837			429,837				-
				-				-
				-				-
Total Government Grant	2,929,837	-	10,000,000	12,929,837	1,500,000	-	-	1,500,000

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7. RENDERING OF SERVICES

Description	2024/2025 KShs	2023/2024 KShs
Tuition fees	5,521,855	1,632,840
Bursary from NGCDF-Githunguri constituency		750,000
Total revenue from the rendering of services	5,521,855	2,382,840

8. INCOME GENERATING ACTIVITIES (IGA)

Description	2024/2025 KShs	2023/2024 KShs
Short courses	94,000	-
Total revenue from the income generating activities	94,000	-

9. USE OF GOODS AND SERVICES

Description	2024/2025 KShs	2023/2024 KShs
Training Equipment & Stores	500,150	176,350
Transport & Travelling	158,100	173,789
Electricity Water & Conservancy	69,456	15,720
Security	465,000	
Administration costs	1,056,680	1,940,111
Staff Development	198,800	325,654
Students Expenses	509,400	75,800
Income Generation Activities Expenses	46,190	
Total Good and Services	3,003,776	2,707,424

10. EMPLOYEE COSTS

Description	2024/2025 KShs	2023/2024 KShs
Salaries and Wages	1,330,786	739,953
Social Health Authority contribution	4,885	
Employers NSSF Contribution	12,783	-
Total Employee costs	1,348,454	739,953

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11. BOARD EXPENSES

Description	2024/2025 KShs	2023/2024 KShs
Chairperson's Honoraria	60,000	
Sitting Allowances	213,000	222,000
Transport	175,000	159,000
Meals	32,000	
Total Board emoluments	480,000	381,000

12. DEPRECIATION AND AMORTIZATION EXPENSES

Description	2024/2025 KShs	2023/2024 KShs
Property, plant and equipment	1,568,530	1,440,318
Intangible assets		
Total Depreciation and Amortization	1,568,530	1,440,318

13. REPAIRS AND MAINTENANCE

Description	2024/2025 KShs	2023/2024 KShs
Repair & Maintenance of Buildings	268,800	214,100
Total Repairs and Maintenance	268,800	214,100

14. (a) CASH AND CASH EQUIVALENTS

Description	2024/2025 KShs	2023/2024 KShs
Current account	11,352,265	315,123
Total cash and cash equivalents	11,352,265	315,123

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14. (b) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Description	Account No.	2024/2025 KShs	2023/2024 KShs
Current account			
Cash In Hand	CASH BOX	26,253	0
Equity - Operational	0870282860038	11,326,012	315,123
Total Cash and Cash Equivalent		11,352,265	315,123

15. (a) RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2024/2025 KShs	2023/2024 KShs
Current receivables		
School Fees	2,968,469	826,899
Total Receivables From Exchange Transaction	2,968,469	826,899

15. (b) AGING ANALYSIS FOR RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2024/2025	% of the Total	2023/2024	% of the Total
Less than 1 year	2,545,439	86%	826,899	100%
Between 1-2 years	423,030	14%		0%
Between 2-3 years		0%		0%
Over 3 Years		0%		0%
TOTAL	2,968,469	100%	826,899	100%

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16. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings	Furniture and fittings	Computers	Total
Cost	KShs	KShs	KShs	KShs	KShs
Depreciation Rate	0%	2.5%	12.5%	33.3%	
As at 1st July 2023	72000000	57,612,720	-	-	129,612,720
Additions During the Period			643,570	202,000	845,570
Disposals During the Period					-
Transfer/adjustments During the Period					-
As at 30th June 2024	72,000,000	57,612,720	643,570	202,000	130,458,290
Depreciation and impairment					
As at 1st July 2023		-	-	-	-
Depreciation for the Period		1,440,318			1,440,318
Impairment For the Period					-
As at 30th June 2024	-	1,440,318	-	-	1,440,318
Net book values					-
As at 30th June 2024	72,000,000	56,172,402	643,570	202,000	129,017,972
As at 1st July 2024	72,000,000	57,612,720	643,570	202,000	130,458,290
Additions During the Period			588,867	124,000	712,867
Disposals During the Period					-
Transfer/adjustments During the Period					-
As at 30th June 2025	72,000,000	57,612,720	1,232,437	326,000	131,171,157
Depreciation and impairment					
As at 1st July 2024		1,440,318	-	-	1,440,318
Depreciation for the Period		1,440,318	60,946	67,266	1,568,530
Impairment For the Period					
As at 30th June 2025	-	2,880,636	60,946	67,266	3,008,848
Net book values					
As at 30th June 2024	72,000,000	57,612,720	643,570	202,000	130,458,290
As at 30th June 2025	72,000,000	54,732,084	1,171,491	258,734	128,162,309

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17. TRADE AND OTHER PAYABLES

Description	2024/2025 KShs	2023/2024 KShs
Trade payables	999,309	999,309
Other payables- Salaries		
Total trade and other payables	999,309	999,309

17. (b) AGING ANALYSIS FOR TRADE OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2024/2025	% of the Total	2023/2024	% of the Total
Less than 1 year	0	0%	999,309	100%
Between 1-2 years	999,309	100%		0%
Between 2-3 years		0%		0%
Over 3 Years		0%		0%
TOTAL	999,309	100%	999,309	100%

18. (a) REFUNDABLE DEPOSIT FROM CUSTOMERS

Description	2024/2025 KShs	2023/2024 KShs
Student Caution Money	94,000	36,000
Total deposits	94,000	36,000

18. (b) AGING ANALYSIS FOR REFUNDABLE DEPOSIT FROM CUSTOMERS

Description	2024/2025	% of the Total	2023/2024	% of the Total
Less than 1 year	58,000	62%	36,000	100%
Between 1-2 years	36,000	38%		0%
Between 2-3 years		0%		0%
Over 3 Years		0%		0%
TOTAL	94,000	100%	36,000	100%

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19. DEFERRED CAPITAL GRANT.

Description	2024/2025 KShs	2023/2024 KShs
Development fund	10,000,000	-
Total Deferred Capital Grant	10,000,000	-

20. REVALUATION RESERVE

Description	2024/2025 KShs	2023/2024 KShs
Land	72,000,000	72,000,000
Building and Infrastructure	57,612,720	57,612,720
Total revaluation Reserve	129,612,720	129,612,720

21. ACCUMULATED SURPLUS

Description	2024/2025 KShs	2023/2024 KShs
Balance b/f	(1,599,955)	
Surplus/(Deficit) for the year	1,856,132	(1,599,955)
Total Accumulated Surplus (Deficit)	256,177	(1,599,955)

22. CAPITAL FUND

Description	2024/2025 KShs	2023/2024 KShs
Balance b/f	1,111,920	1,111,920
Donations	388,917	
Total Capital Fund	1,500,837	1,111,920

23. CASH GENERATED FROM OPERATIONS

Description	2024/2025 KShs	2023/2024 KShs
Surplus for the year before tax	1,856,132	(1,599,955)
Adjusted for:		
Depreciation	1,568,530	1,440,318
Working Capital adjustments	3,424,662	(159,637)
Decrease/(Increase) in receivables from Exchange Transactions	(2,121,570)	(826,899)
Increase in deferred income		
Increase/(Decrease) in payables	58,000	879,309
Net cash flow from operating activities	1,361,092	(107,227)

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24. Financial Risk Management

The Githunguri TVC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Githunguri TVC 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 Githunguri TVC 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 Githunguri TVC financial risk management objectives and policies are detailed below:

(i) Credit risk

The Githunguri TVC has exposure to credit risk, which is the risk that a counter party 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 Githunguri TVC 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 Githunguri TVC maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June, 2024				
Receivables from exchange transactions	826,899	826,899	0	0
Receivables from Non-Exchange Transactions			0	0
Bank balances	315,123	315,123	0	0
Total	1,142,022	1,142,022	0	0
At 30 June, 2025				
Receivables from exchange transactions	2,948,469	2,948,469	0	
Receivables from Non-Exchange Transactions	0	0	0	
Bank balances	11,352,265	11,352,265		
Total	14,300,734	14,300,734	0	0

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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 Githunguri TVC has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Githunguri TVC has significant concentration of credit risk on amounts due from late disbursement of capitation money which is always budgeted for. The BOG sets the college 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 Githunguri TVC BOG, who have built an appropriate liquidity risk management framework for the management of the Githunguri TVC short, medium and long-term funding and liquidity management requirements. The Githunguri TVC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month Kshs	Between 1- 3 months Kshs	Over 5 months Kshs	Total Kshs
At 30th June, 2024				
Trade payables			1,035,309	1,035,309
Total	0	0	1,035,309	1,035,309
At 30th June, 2025				
Trade payables			1,093,309	1,093,309
Total	0	0	1,093,309	1,093,309

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(iii) Capital Risk Management

The objective of the Githunguri TVC capital risk management is to safeguard the college ability to continue as a going concern. The Githunguri TVC capital structure comprises of the following funds:

Description	2024/2025 KShs	2023/2024 KShs
Revaluation Reserve	129,612,720	129,612,720
Retained earnings	256,177	(1,599,955)
Capital reserve	11,500,837	1,111,920
Total funds	141,369,734	129,124,685
Total borrowings	0	0
Less: cash and bank balances	11,352,265	315,123
Net debt/(excess cash and cash equivalents)	11,352,265	315,123
Gearing	0.00%	0.00%

25. Related Party Balances

Nature of related party relationships

Entities and other parties related to Githunguri TVC 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 Githunguri TVC, holding 100% of the its equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of Githunguri TVC, both domestic and external. Other related parties include:

- i) The National Government;
- ii) Key management;

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

i. Government of Kenya

Description	2024/2025 KShs	2023/2024 KShs
<i>Due from Parent Ministry - Recurrent</i>	2,929,837.00	1,500,000.00
<i>due from Parent Ministry - Development</i>	10,000,000.00	
Total	12,929,837.00	1,500,000.00

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ii. Board Expenses

<i>Description</i>	2024/2025	2023/2024
	KShs	KShs
<i>Council Expenses</i>	480,000.00	1,378,929.00
<i>Total</i>	480,000.00	1,378,929.00

1. Events After the Reporting Period

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

2. Ultimate and Holding Githunguri TVC

The Githunguri TVC is an Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

3. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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20. APPENDICES

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Lack of land ownership The statement of financial position and Note 15 to the financial statements reflects property, plant and equipment's balance of Kshs. 129,017,972 which includes land with a balance of Kshs. 72,000,000. However, the institution did not provide the title deed for the land as proof of ownership. Further, the basis for the value of Kshs. 72,000,000 for the said parcel of land was not provided.</p>	<p>The land on which the college was constructed Komothai {igi}873 is currently under The County Government of Kiambu and allotted to Komothai Vocational Centre with a provision to accommodate other stakeholders (community) to promote technical skilled training. The board of Governors are engaging other stakeholders to resolve the ownership issue and issue land ownership documents to the relevant stakeholders(parties). Responsibility- Board of Governors</p>	Not Resolved	24 months

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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)
2.0	<p>Unsupported Trade Payables from Exchange Transactions</p> <p>The statements of financial position and Note 16 to the financial statement reflects a balance of Ksh 999,309 for trade and other payables from exchange transactions. However, invoices, purchase orders, delivery notes and inspection and acceptance reports were not provided to review for review in support of the payables. Further, it was noted that a credit policy did not exist to aid in cases of litigation in instances where outstanding payables may attract interest and penalties. In addition, no explanation was provided as to why the payables did not form the first charge.</p>	<p>The outstanding trade payables of Ksh 999,309 relates to the mentor institution (Kabete NP) for support services paid on behalf of Githunguri TVC before its operationalization. The payment were made on 7th June 2023 and 7th September 2025. The balance has remained unsettled due to limited financial capacity. Most of the funds received were prioritized for essential operational needs and mandatory Institution obligations. However, the management is fully committed to honouring the obligation. The college requested for the supporting documents from Kabete NP to enable verification and reconciliation before effecting payment.</p>	Not Resolved	12 Months

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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)
3.0	<p>Long outstanding Receivables from Exchange Transactions The statement of financial position and as disclosed in Note 14 to the financial statements reflects a balance of Kshs 826,899 as receivables from exchange transactions. This was an accumulation of fee arrears from the thirty-six (36) students within the institution. Audit revealed that the college did not have an aging system for the debts of a laid down mechanism of following up on the arrears and debts.</p>	<p>As per regulation of the PFM Act, the management will develop a fees collection system and policy to make periodic follow up on the fees collection and the respective egging of receivables to ensure sound financial management of the Institution resources and reduce the risk of bad debts.</p>	Partially Resolved	10 Months
4.0	<p>Unsupported Expenditure on Repairs and Maintenance The statement of financial performance and Note 12 to the financial statements reflects expenditure on repairs and maintenance totaling Ksh.214,100. Review of payment vouchers revealed that out of</p>	<p>The management provided a supporting schedule for the payment. The schedule indicates the name of the vendor and the amount paid, repair and maintenance amount was fully supported.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	this amount, an expenditure totalling Ksh 44,980 was not supported by receipts from the vendor and the name of the vendor had not been disclosed on the documents attached.			

Guidance Notes:

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



Cosmas M. Mwangi
PRINCIPAL.

Date: 27th August 2025.

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Appendix II- Inter-Entity Confirmation Letter

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

Name of beneficiary entity Githunguri Technical and Vocational College

Confirmation of amounts received by Githunguri Technical & Vocational College as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
GTVC/DTE/07/2024/001	15/07/2024	500,000		500,000	Receipt No.115
GTVC/DTE/10/2024/001	02/10/2024	500,000		500,000	Receipt No.155
GTVC/DTE/10/2024/002	20/01/2025	429,837		429,837	Receipt No.159
GTVC/DTE/01/2025/001	21/01/2025	500,000		500,000	Receipt No.254
GTVC/DTE/03/2025/001	08/05/2025		10,000,000	10,000,000	Receipt No.470
GTVC/DTE/06/2025/001	14/06/2025	500,000		500,000	Receipt No.495
GTVC/DTE/06/2025/002	17/06/2025	500,000		500,000	Receipt No.555
Total		2,929,837	10,000,000	12,929,837	

Recurrent Grants received on 15th July 2024 was meant for financial year 2023/2024

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

Head of Accounts Department - Disbursing Entity:

Name M.M. Ndung'u

Sign 

Date 03/12/2025

Head of Accounts Department - Beneficiary Entity:

Name Joseph Kuria


Sign 

Date 03/12/25

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Appendix III: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Ksh s.)	Comments



Cosmas M. Mwangi
PRINCIPAL.

Date: 27th August 2025.