

REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
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LIBRARY

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUL 2025	DAY. Wednesday
TABLED BY:	Deputy Majority leader Chen. Owen Baya, (CBS, MP)
CLERK AT THE TABLE:	Irene Nduku

OF

THE AUDITOR-GENERAL

ON

**GILGIL TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2024**



GILGIL TECHNICAL AND VOCATIONAL COLLEGE

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

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



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1. Acronyms & Glossary of Terms

a. Acronyms

BOM	Board of Management
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
Fiduciary Management	Key management personnel who have financial responsibility at GTVC

b. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Gilgil Technical and Vocational College is a public institution domiciled in Gilgil Constituency, Nakuru County, Kenya. It was established in 2019 as part of the Government of Kenya's efforts to expand access to technical and vocational education and training (TVET). Construction of the college was completed in April 2023, and student admissions began in May 2023. In its inaugural year, the college admitted 12 students during the 2022/2023 financial year. As of the end of the 2023/2024 financial year, student enrolment has increased significantly to 266 learners.

Currently, the college operates under the mentorship and management of Nairobi Technical Training Institute, which provides administrative and academic oversight to support its early growth and ensure compliance with national standards. Gilgil Technical and Vocational College has no branches or satellite campuses. The development of full academic departments and faculties is ongoing, in line with its phased institutional growth plan.

The Government of Kenya, through the State Department for Technical and Vocational Education and Training, is in the process of transitioning full management of the college to its own independent governance structures before the close of the 2023/2024 financial year. In parallel, the institution is actively working toward fulfilling the requirements necessary to obtain a full charter and operate as a fully autonomous TVET college.

(b) Principal Activities

Vision

To be outstanding Technical Vocational, research and innovation Training Centre relied upon by the industry

Mission

To provide all-inclusive Technical Vocational and Entrepreneurship training, research and innovation for sustainable development

Core Values

At the college, we stand by these values:

- Integrity
- Team work
- Commitment
- Excellence

(c) Key Management

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

- Principal
- Deputy Principal-Administration affairs
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students

- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.

Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

Senior Management Committee's Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that GTVC's BOM is able to take strategic decisions relating to GTVC's activities.
- (b) Provide leadership in communicating GTVC's mission, values, plans and achievements effectively and consistently to BOM Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of GTVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of GTVC's activities.

Specifically, the Senior Management Team:

- i. Makes recommendations to the BOM on the implementation and achievement of the BOM's Strategic Framework;
- ii. Agrees GTVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Management as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of GTVC, making recommendations as appropriate to the Board of Management and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors GTVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOM and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing GTVC staff to deliver the highest standards of performance and customer service.

- (f) **Entity Headquarters**
P.O. Box 12616-20100
Nakuru, Kenya
- (g) **Entity Contacts**

Telephone: (254)0700187569
E-mail: ppalgiltvc@gmail.com
Website: www.gilgiltvc.ac.ke
- (h) **Entity Bankers**

Kenya Commercial Bank
Ngara Branch
A/C NO. 1260304280
A/C Name: Gilgil Technical and Vocational College
- (i) **Independent Auditors**





Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- j. **Principal Legal Adviser**

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

3. The Council/Board of Management

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Qualification
1. Charles Aondo Kimwomi	Chairman		Date of Birth	1960
			Qualification	Master of Education
			Experience	31 years
2. Dr. Fr. Lawrence Njeru Murucha	Member		Date of Birth	26.12.1968
			Qualification	PHD in Educational Administration and Planning
			Experience	34 years
3. Jackline Kemunto Momanyi	Member		Date of Birth	10.06.1974
			Qualification	Master of Business Administration
			Experience	17 years
4. Daud Hujale Ali	Member		Date of Birth	01.01.1974
			Qualification	MBA in construction Management
			Experience	28 years
5. Prof. Francis K. Nganga	Member		Date of Birth	1953
			Qualification	PHD in Mass Communication
			Experience	50 years

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
6. Akoth Mary Olang'o	Member		Date of Birth	1978
			Qualification	Bsc. Electrical Engineering
			Experience	18 years
7. Maryan A. Hassan	Member		Date of Birth	12.12.1977
			Qualification	Master of Education
			Experience	22 years
8. Prof. Kenneth Lawrence Wanjau	Member		Date of Birth	22.07.1972
			Qualification	PHD in Entrepreneurship
			Experience	32 years
9. Dr. Glory K. Mutungi, PhD	Secretary		Date of Birth	03.01.1973
			Qualification	PhD in Leadership and Education Management
			Experience	28 years

Board of Management Sub-Committees




Name of the Committee	Members	Designation
Finance, Infrastructure and Human Resource Committee	Jackline K. Momanyi Prof Francis K. Nganga Maryan Abdi Hassan	Chairperson Member Member
Academic, Research and Innovation Committee	Dr. Fr. Lawrence N. Murucha Daud Hujale Maryan Abdi Hassan	Chairperson Member Member
Audit Committee	Prof. Kenneth L. Wanjau Daud Hujale Mary Akoth Olang'o	Chairperson Member Member

Functions of the Board of Governors

According to the TVET act 2013, the BOM shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOM appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.

1. Key Management Team

Manager	Title	Photograph	Qualification & Responsibility	
Mr. Sammy Gichuhi Mwangi	Chief Principal		Date of Birth	13/03/1971
			Qualification	B.Ed.science
			Experience	29 Years
Sr. Fridah K. Mariti	Registrar		Date of Birth	09/09/1979
			Qualification	B.Education
			Experience	20 YEARS
Phyllis Wangeci Muriithi	Dean of Students		Date of Birth	14/09/1992
			Qualification	Bachelor's Degree in Hotel and Hospitality Management
			Experience	4 Years

2. Chairman's Statement

It is my pleasure to present the Annual Report and Financial Statements for Gilgil Technical and Vocational College for the year ended 30th June 2024.

The Board of Management extends sincere appreciation to the Government of Kenya and all stakeholders for their continued support in the operations and development of the college. In particular, we thank the Ministry of Education for its unwavering financial support and for deploying qualified staff, which has greatly enhanced the institution's capacity to deliver on its mandate.

Gilgil Technical and Vocational College remains committed to its mission of delivering quality Competency-Based Education and Training (CBET), in line with the Government's vision of equipping youth with technical and entrepreneurial skills that are critical to accelerating the country's socio-economic transformation as outlined in Kenya Vision 2030. The Ministry of Education's endorsement and rollout of CBET continues to play a vital role in shaping a skilled and self-reliant workforce, and we acknowledge its pivotal contribution to the progress made in the TVET sector.

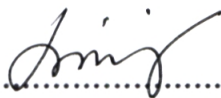
Since its establishment, the college has operated under the mentorship, management, and administrative guidance of Nairobi Technical Training Institute. This structured mentorship has ensured sound governance, effective operational systems, and a smooth transition as the college builds its own internal capacity for future autonomy.

The college is a public institution that relies primarily on government capitation and development grants, alongside fees paid by students. As a non-profit-making entity, Gilgil Technical and Vocational College remains focused on its core mandate of providing accessible, industry-relevant training rather than revenue generation. Despite persistent financial and logistical challenges, we take pride in the progress achieved during the financial year under review, including the implementation of strategic plans to expand existing infrastructure and improve service delivery.

Among the key challenges faced during the year were:

- Inadequate funding for both operations and development from the Ministry of Education
- Delayed disbursement of capitation and development grants
- Low and inconsistent student fee payments
- Limited marketing opportunities due to funding constraints
- Restricted institutional capacity, which has hindered the desired scale-up of student enrollment

In conclusion, on behalf of the Board, I wish to sincerely thank the Government of Kenya, the Ministry of Education, parents, guardians, suppliers, service providers, and all other stakeholders for their continued trust, support, and cooperation throughout the financial year 2023/2024. We look forward to continued partnership as we strive to strengthen the institution and fulfil our commitment to excellence in TVET education.



.....
Bony Saruni(Mr)
Chairman Board of Management
Date: 26th June 2025

3. Report of the Principal

I take this opportunity to present the Financial Statements of Gilgil Technical and Vocational College for the financial year ending 30th June 2024, prepared in accordance with the Accrual Basis of Accounting under the International Public Sector Accounting Standards (IPSAS).

During the year under review, the college continued to operate under the mentorship and financial oversight of Nairobi Technical Training Institute, particularly in the handling of accounts and fiscal processes. With the support and guidance of the Board of Governors, the college has implemented critical financial, procurement, and internal control systems aimed at ensuring prudent utilization and accountability of funds entrusted to it.

The financial performance for the year reflects steady progress, with effective application of Government of Kenya (GoK) grants facilitating the acquisition of essential furniture and ICT equipment necessary to support administrative operations and the initial rollout of training activities. However, the college still requires additional investment, especially in the procurement of specialized training equipment, to enable the full implementation of mainstream TVET programs under the Competency-Based Education and Training (CBET) framework. As the institution positions itself for long-term growth, strategic efforts are underway to obtain full regulatory recognition, including registration with the Kenya Universities and Colleges Central Placement Service (KUCCPS), relevant national examination bodies, and the Higher Education Loans Board (HELB), subject to the granting of the operational license.

I remain deeply appreciative of the unwavering support and commitment demonstrated by the Board of Governors, the college management team, and all staff members, whose collective efforts have contributed significantly to the advancement of the college's mission, vision, and strategic objectives.



.....
Dr. Stephen Ngugi Mbugua
Principal/Secretary BOM
Date: 26th June 2025

4. Statement of Performance against Predetermined Objectives

During the financial year 2023/2024, Gilgil Technical and Vocational College made significant progress toward achieving its strategic objectives, despite facing financial and operational challenges. One of the key performance milestones was the growth in student enrollment, which rose from an initial 12 learners in the previous year to 266 students by June 2024. This increase reflects improved awareness, growing confidence in the institution, and the impact of early outreach efforts. Under the mentorship of Nairobi Technical Training Institute, the college also maintained sound academic and administrative practices, contributing to the effective delivery of Competency-Based Education and Training (CBET) programs in line with national TVET policy.

In terms of infrastructure and resource development, the institution successfully utilized Government of Kenya (GoK) grants to acquire essential furniture and ICT equipment, thereby improving learning and office environments. Although limitations in funding delayed the acquisition of specialized training equipment, groundwork has been laid for expanded instructional capacity in upcoming phases. Additionally, foundational steps were taken to secure full regulatory compliance, including preparatory processes for registration with Kenya Universities and Colleges Central Placement Service (KUCCPS), national examination bodies, and the Higher Education Loans Board (HELB), subject to licensing.

Institutionally, the college prioritized internal capacity-building by implementing financial, procurement, and internal control measures to ensure compliance and accountability. The commitment and collaboration among the Board of Governors, college management, and staff were central to these achievements. While some objectives particularly those related to full program rollout and increased admissions remain in progress, the performance recorded this year reflects strong alignment with the college's vision, mission, and long-term development goals.

5. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOM follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOM is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

Institutes BOM

- a) The BOM constitutes of chairman BOM and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) BOM Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOM is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOM members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The BOM meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Management
- c) The Management

Number of Board Meetings during the year and their attendance

During the year under review, Board meetings were held as follows

Date	Type of Meeting	Number of Members Present
10/7/2023	Full Board	7
11/10/2023	Full Board	8
11/1/2024	Full Board	6
12/4/2024	Full Board	8

6. Management Discussion and Analysis

Section A: Operational And Financial Performance

Gilgil Technical and Vocational College operational and financial performance

The college is a public Institution which relies on Government funds, and fees paid by students. It is not a profit-making College.

The college has not yet full attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute.

Section B: Compliance with Statutory Requirements

Gilgil Technical and Vocational College compliance with statutory requirements

The Institute complies with remittance of statutory obligations such as:

PAYE, NHIF, NSSF, NITA

Section C: Key Projects and Investment Decisions

Key projects and investment decisions Gilgil Technical and Vocational College is planning/implementing

Being a new institution, Gilgil TVC has not initiated any development project.

Section D: Financial and Management Risks

Major risks facing the entity

- Inadequate funding by the Ministry of Education- on capitation/operation and development grants;
- Delay in supply of training equipment and furniture by GoK;
- Untimely marketing due to late funding;
- Due to limited capacity, it is not possible to increase the number of students as expected;

Due to the above factors the institution is facing challenges in meeting its full operations obligations.

Section E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

There are no material arrears in statutory or Financial Obligations

Section F: Governance

The entity's financial probity and serious governance issues During the period under review, there were no governance issue reported.

Section G: Environmental Sustainability and Corporate Social Responsibility

The College conserves the environment

7. Environmental and Sustainability Reporting Statement

The Gilgil TVC, being a new institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions which do not require financial commitment.

Sustainability strategy and profile

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

b. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

c. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment

d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

Employee welfare

The Institute with the support of the Board Members has developed the following

policies to guide its operations: -

- Scheme of service for BOM Staff.
- Career progression guidelines for BOM Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices

Responsible Competition Practice

- (i) Anti -corruption
 - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 67,189 as capped by the Ministry of Education.
 - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
 - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/ robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
 - b. During the graduation ceremonies, the institute invites the local leadership to interact with the grandaunts and the GTVC community.
- (iii) Fair competition
 - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at GTVC is similar to what is offered in other institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.
 - c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors
 - a. Mutual beneficial relationships:
The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
 - b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to GTVC, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

Responsible Marketing and Advertisement

- (i) Efforts to maintain ethical marketing practices
 - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.

- d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
- e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

Product Stewardship

- (I) Efforts to safeguard consumer rights and interests
 - a. The institute has a complaints procedure and complaints registers at various offices.
 - b. A complaints line has been established in the institute (0717764444)
 - c. There is proactive disclosure of information by ensuring that information is given through the institute's website, brochures, print and electronic advertisement
 - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The institute has ensured an active e-mail address ppalgiltvc@gmail.com and the telephone line 0700187569.
 - e. There is a service charter that is prominently displayed at the institute's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

8. Report of the Council/Board of Governors

The Board members submit their report which show the state of the Institute's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of the entity for the year ended 30 June, 2024 are set out on page 1

Board of Management

The members of the Board members who served during the year are shown on page vii. During the financial year 2023/204 no director retired or resigned or new appointment

Auditors

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

By Order of the Board



.....
Dr. Stephen Ngugi Mbugua
Principal/Secretary BOM
Date: 26th June 2025

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

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

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes:

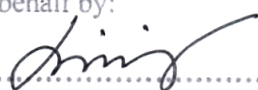
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2024, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The institute's financial statements were approved by the Board on **26th June 2025** and signed on its behalf by:


.....
Bony Saruni (Mr)
Chairman of the Board
Date: 26th June 2025


.....
Dr. Stephen Ngugi Mbugua
Principal/Secretary BoM
Date: 26th June 2025



Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON GILGIL TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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 that 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 Gilgil Technical and Vocational College set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2024 and the statement of 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 Gilgil Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the College's financial statements and supporting records revealed the following inaccuracies;

- i. The statement of financial performance reflects amounts of Kshs.2,830,000 and Kshs.15,317,576 in respect of transfers from County and other Government entities and revenue from rendering of services respectively all totalling Kshs.18,147,576. However, the supporting ledgers and schedules reflect a total amount of Kshs.4,523,199 resulting in an unexplained variance of Kshs.13,624,377.

Further, the statement reflects use of good and services amount of Kshs.3,679,652 as disclosed in Note 4 to the financial statements. The balance includes an expenditure of Kshs.1,384,442 in respect of administration expenses. However, the supporting ledger or schedule reflects an amount of Kshs.1,598,788 resulting in an unexplained variance of Kshs.214,346.
- ii. The statement of changes in net assets reflects revaluation gain and capital grants received during the year amounts of Kshs.75,342,783 and Kshs.2,711,194 respectively. However, the amounts were not supported.
- iii. The statement of comparison of budget and actual amounts reflects transfers from national government entities amount of Kshs.10,168,183. However, the statement of financial performance Note 2 to the financial statements indicates an amount of Kshs.12,000,000 resulting in an unexplained and unreconciled variance of Kshs.1,831,817.
- iv. The council/Board of Governors disclosed in the financial statements are the Board /Council members of Nairobi Technical Training Institute and are not the Board/Council members of the College. Management has not provided an explanation for this unsatisfactory situation.

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

2. Unsupported Receipts

The statement of financial performance reflects amount of Kshs.15,317,576 in respect of revenue from rendering services and as disclosed in Note 3 to the financial statements. However, review of the bank statements revealed that there were receipts of Kshs.3,285,031 not supported by receipt vouchers and correspondences to show the purpose/ beneficiary of the funds. The receipts included an inward transfer from National Government Constituency Development Fund - Gilgil Constituency dated 28 July, 2023 for bursaries amount of Kshs.2,600,000 among others. Further, the bursary funds were not supported by list of beneficiaries.

In the circumstances, the accuracy and completeness of the revenue from rendering services amount of Kshs.3,285,031 could not be confirmed.

3. Non-disclosure of Admission Fees

The statement of financial performance reflects amount of Kshs.15,317,576 in respect of revenue from rendering services as disclosed in Note 3 to the financial statements. Review of financial and academic records revealed that the students who had been admitted to the College were expected to pay admission fees amounting to Kshs.1,544,400. However, the admission fees were not disclosed in the financial statements. Further, the supporting schedules for the admission fees receipts were not provided for audited review.

In the circumstances, the accuracy and completeness of the revenue from rendering services amount of Kshs.15,317,576 could not be confirmed.

4. Understatement of Transfers from National Government and Ministry

The statement of financial performance reflects an amount of Kshs.12,000,000 in respect of transfers from National Government and Ministry as disclosed in Note 2 to the financial statements. Review of the College's bank statements revealed that a total amount of Kshs.14,711,194 was received from the State Department for Technical Vocational Education and Training in respect of recurrent grants for operations. Management did not provide an explanation for the understatement of the revenue in the financial statements.

In the circumstances, the completeness and accuracy of the transfers from National Government and Ministry amount of Kshs.12,000,000 could not be confirmed.

5. Unsupported Use of Goods and Services Expenditure

The statement of financial performance reflects an amount of Kshs.3,679,652 in respect of use of goods and services as disclosed in Note 4 to the financial statements. However, the expenditure was not supported with the relevant documents including payment vouchers, requisitions and approvals, quotations, delivery notes, invitation letters for trainings, invoices for electricity and water, attendance lists and relevant receipts. This is contrary to Regulation 104 (1) of Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of the expenditure on use of goods and services of Kshs.3,679,652 could not be confirmed.

6. Inaccuracies of the Cash and Cash Equivalents Balance

The statement of financial position reflects a cash and cash equivalents balance of Kshs.10,949,458 as disclosed in Note 8 to the financial statements which relates to an amount held in a local bank account. Review of the cashbook revealed that the balance as at the closure of the financial year was reflected as Kshs.7,672,844 resulting to an unexplained and unreconciled variance of Kshs.3,277,114.

Further, receipts amounting to Kshs.17,311,111 in respect of transfers from State Department for Technical Vocational Educational and Training and National Government Constituency Development Fund - Gilgil Constituency were not recorded in the cashbook.

In addition, Management did not provide certificate of bank balances to support the bank balance and there was no evidence that bank reconciliation statements were prepared on monthly basis for the College account.

It was also observed that Management did not maintain and provide the cheque counterfoils and the cheque movement registers and the cash and cash equivalents balance of Kshs.10,949,458 includes stale cheques totaling to Kshs.342,000. No reason was provided for the failure to write back the outdated cheques in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.10,949,458 could not be confirmed.

7. Unsupported Inventories Balance

The statement of financial position reflects inventories balance of Kshs.214,346 which as disclosed in Note 10 to the financial statements relates to catering stores. However, the balance was not supported by quarterly or annual stock take reports at the close of the year.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.214,346 could not be confirmed.

8. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property plant and equipment balance of Kshs.75,699,363 which as disclosed in Note 11 to the financial statements includes land at a cost of Kshs.15,000,000. However, review of the supporting documents including the assets register revealed that the College has not acquire the ownership documents (title deed) for the land. Further, Management did not provide the land valuation reports for audit verification.

In addition, the balance of Kshs.75,699,363 includes amounts of Kshs.540,000, Kshs.298,200 and Kshs.725,235 in respect of furniture and fittings, computers and plant

and equipment. However, Management has not recorded the assets and their values for the three (3) classes of assets in the fixed assets register provided for audit.

In the circumstances, the accuracy, completeness and ownership of property plant and equipment balance of Kshs.75,699,363 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.28,040,457 and actual on a comparable basis of Kshs.14,691,382 resulting to an under-funding of Kshs.13,349,075 or 48% percent of the budget. Further, the statement reflects that the College spent an amount of Kshs.6,453,118 against actual receipts of Kshs.14,691,382 resulting to under-absorption of Kshs.8,238,264 or 56% of actual receipts.

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

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. There were no key audit matters to communicate in my report.

Other Information

The Directors are responsible for the other information set out on page i to xxiv which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, corporate governance Statement, management discussion analysis, and environmental and sustainability reporting statement. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements of the College for the year ended 30 June, 2024 were submitted for audit on 24 February, 2025 which is five (5) months after the statutory requirement to submit not later than 30 September, 2024. This is contrary to Section 47 (1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor - General within three months after the end of the fiscal year to which the accounts relate.

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

2. Engagement of Staff without Valid Contracts of Employment

The statement of financial performance reflects an amount of Kshs.2,335,500 in respect of employee costs as disclosed in Note 5 to the financial statements. Review of the human resource records revealed that the College had a total of fifteen (15) teaching and non-teaching staff, during the year under review, that were hired on three months' renewable contracts. However, the employment contracts for the staff expired in September, 2023 and had not been renewed resulting to employees operating without valid contracts of employment. This is contrary to Section 9 of the Employment Act, 2007 which stipulates the general provisions of a contract of service.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and an internal audit function as required by the law and regulations. This is contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and - has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174 (1) of the Public Finance Management (National Government) Regulations, 2015 states that subject to paragraph (2) of this regulation, each National Government entity shall establish an audit committee.

In the circumstances, the College did not benefit from the oversight functions of the internal audit department and the audit committee.

2. Lack of an Approved Strategic Plan

During the year under review, the College did not have an approved strategic plan contrary to Section 29 (d) of the Technical and Vocational Education and Training Act, 2013.

In the circumstances, the College was not be able to effectively measure the achievement of its strategic goals and objectives which may have affected service delivery to the public.

3. Lack of an Approved Staff Establishment

Review of records revealed that the College had fifteen (15) members of staff in the year under review. However, the College does not have in place an approved staff establishment. Therefore, without an approved staff establishment it was not possible to verify how various job groups were arrived at and what was the human capital gap if any.

In the circumstances, Management may not be in a position to identify whether the College is operating with the optimal number of staff to ensure effective service delivery to the public.

3. Lack of a Risk Management and Fraud Policy

During the year under review the College did not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. In addition, it was observed that the College did not have recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. Further, the management did not perform formal risk assessments during the financial year under review.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

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

Responsibilities of the Management and 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or 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 Technical 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 for 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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 July, 2025

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

11. Statement of Financial Performance for the Year Ended 30th June 2024

Revenue	Note	FY 2023/2024
		Kshs
Transfer from County and Other Government Entities	1	2,830,000
Revenue from National Govt & Ministry (Unconditional)	2	12,000,000
Revenue from Rendering of Services	3	15,317,576
Total Revenues		30,147,576
Expenses		
Use of Goods and Services	4	3,679,652
Employee Costs	5	2,335,500
Depreciation and Amortization	6	1,475,237
Repairs and Maintenance	7	223,620
Total Expenses		7,714,009
Surplus		22,433,567

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




Bony Saruni (Mr)
Chairman of Council/Board

Date: 26th June 2025



Dr. Stephen Mbugua
Principal/BOM Secretary

Date: 26th June 2025



Lucy Mukundi
Accountant
ICPAK no. 33883
Date: 26th June 2025

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Financial Position as at 30th June 2024

Description	Note	FY 2023/2024
Assets		Kshs
Current Assets		
Cash and Cash Equivalent	8	10,949,458
Receivables from Exchange Transactions	9	13,624,377
Inventories	10	214,346
Total Current Assets		24,788,181
Non-Current Assets		
Property, Plant and Equipment	11	75,699,363
Total Non-Current Assets		75,699,363
Total Assets		100,487,544
Liabilities		
Current Liabilities		
Payables	13	-
Deferred Income	15	2,711,194
Total Current Liabilities		2,711,194
Long Term Liabilities		
Long Term Loans		-
Total Long-Term Liabilities		-
Total Liabilities		2,711,194
Reserves And Surplus		
Accumulated Surplus (Deficit)	16	22,433,567
Capital and Equity	17	75,342,783
Total Capital Reserves and Liabilities		97,776,350
Total Reserves and Liabilities		100,487,544


The Financial Statements set out on pages 2 to 2 were signed by:


 Bony Saruni (Mr)
 Chairman of Council/Board

Date: 26th June 2025


 Dr. Stephen Mbugua
 Principal/BOM Secretary

Date: 26th June 2025


 Lucy Mukundi
 Accountant
 ICPAK no. 33883
 Date: 26th June 2025

13. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs
At July 1, 2023	-	-	-	-
Revaluation Gain	-	-	75,342,783	75,342,783
Surplus/(Deficit)for the year	-	22,433,567	-	22,433,567
Capital Grants received during the year	-	-	2,711,194	2,711,194
At June 30, 2024	-	22,433,567	78,053,977	100,487,544

Note:

Revaluation gain on land and buildings were realised using the estimated current value within the area and the quoted amount from the bid.




Bony Saruni (Mr)
Chairman of Council/Board

Date: 26th June 2025



Dr. Stephen Mbugua
Principal/BOM Secretary

Date: 26th June 2025



Lucy Mukundi
Accountant
ICPAK no. 33883
Date: 26th June 2025

14. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY 2023/2024
		Kshs
Cash Flows from Operating Activities		
Receipts		
Transfers from County and Other Entities	1	2,830,000
Transfers from National Government Entities	2	12,000,000
Fees from Students	3	15,317,576
Total Receipts		30,147,576
Payments		
Use of Goods and Services	4	3,679,652
Employee Costs	5	2,335,500
Repair and Maintenance	7	223,620
Total Payments		6,238,772
Net Cash Flows from Operating Activities		23,908,804
Adjusted For:		
Changes in Accounts Receivables	9	(13,624,377)
Changes in Inventories	10	(214,346)
Changes in Accounts Payables	15	2,711,194
Net Cash Flows from Operating Activities		12,781,275
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	11	(1,831,817)
Net Cash Flows used in Investing Activities		(1,831,817)
Cash Flows from Financing Activities		
Proceeds from Borrowing		-
Net Cash Flows used in Financing Activities		-
Net Increase/(Decrease) in Cash and Cash Equivalents		10,949,458
Cash and Cash Equivalents at the Beginning		-
Cash and Cash Equivalents at the End.		10,949,458


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Bony Saruni (Mr)
Chairman of Council/Board

Date: 26th June 2025


.....
Dr. Stephen Mbugua
Principal/BOM Secretary

Date: 26th June 2025


.....
Lucy Mukundi
Accountant

ICPAK no. 33883
Date: 26th June 2025

15. Statement of Comparison of Budget Actual Amounts for Year Ended 30 June 2024

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	a	b	c=a+b	d	e=c-d	f=e/c%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from National Government Entities	10,168,183	-	10,168,183	10,168,183	-	-
Fees from Students	17,872,274	-	17,872,274	4,523,199	13,349,075	74.69
Total Income	28,040,457	-	28,040,457	14,691,382	13,349,075	47.61
Expenses						
Use of Goods and Services	16,612,266	-	16,612,266	3,893,998	12,718,268	76.56
Employee Costs	10,811,316	-	10,811,316	2,335,500	8,475,816	78.40
Repair and Maintenance	616,875	-	616,875	223,620	393,255	63.75
Total Expenditure	28,040,457	-	28,040,457	6,453,118	21,587,339	76.99
Surplus For the Period	-	-	-	8,238,264	(8,238,264)	
Capital Expenditure						
Computer	426,000	-	426,000	426,000	-	-
Furniture	600,000	-	600,000	600,000	-	-
Equipment	805,817	-	805,817	805,817	-	-
Ablution Block (Unspent Restricted Grant)	2,711,194	-	2,711,194	-	2,711,194	100.00

Budget Explanation

Item	Final Budget (Kshs)	Actual (Kshs)	Utilization Difference (%)	Explanation
Transfers from National Government Entities (Unconditional Grant)	10,168,183	10,168,183	0.00%	Fully utilized. Budget matched actual. No variance.
Fees from Students	17,872,274	4,523,199	74.69%	Significantly underperformed. Revenue shortfall of Kshs 13,349,075. Likely due to uncollected fees.
Use of Goods and Services	16,612,266	3,893,998	76.56%	Underutilized. May indicate delays in procurement, budget freezes, or cautious spending.
Employee Costs	10,811,316	2,335,500	78.40%	Underutilized. Suggests delayed hiring, attrition, or staffing levels below expectations.
Repairs and Maintenance	616,875	223,620	63.75%	Underutilized. Non-critical repairs may have been postponed or deprioritized.
Computer	426,000	426,000	0.00%	Fully utilized. Project was completed as planned.
Furniture	600,000	600,000	0.00%	Fully utilized. Budgeted acquisition was implemented.
Conditional Grant (Unspent)	2,711,194	-	100.00%	Fully unutilized. Grant was likely received but earmarked for a future project or pending procurement process.

16. Notes to the Financial Statements

1. General Information

Gilgil Technical and Vocational College (GTVC) is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

(ii) Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1 st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. (Gilgil Technical and Vocational College has not dealt in Leases during the Year under review)
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1 st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. (Gilgil Technical and Vocational College has not dealt in Discontinued operations during the Year under review)
IPSAS 45: Property Plant and Equipment	Applicable 1 st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. (Gilgil Technical and Vocational College has not dealt in Heritage Assets during the Year under review)
IPSAS 46: Measurement	Applicable 1 st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>The standard also introduces a public sector specific measurement bases called the current operational value. (Gilgil Technical and Vocational College has implemented IPSAS 46 during the Year under review)</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. (Gilgil Technical and Vocational College has reported revenue as per IPSAS 47)</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. (Gilgil Technical and Vocational College has not dealt in transfer expenses during the Year under review)</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. (Gilgil Technical and Vocational College has not dealt in Retirement Benefits plan during the Year under review)</p>

iii. Early adoption of standards

Gilgil Technical and Vocational College did not early-adopt any new or amended standards in year 2024. The entity adopted IPSAS standard.

(iii) Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 26/6/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on notes section of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income tax Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)**Summary of Significant Accounting Policies (Continued)****Financial assets****Classification**

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method.
- 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) 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 30th June 2024.

Notes to the Financial Statements (Continued)

(iv) Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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.

The Institute maintains a provision of 5% on all student debtors as outlined in the Finance policy

Notes to the Financial Statements (Continued)

1. Transfers from County and Other Government entities

Description	FY 2023/2024
	Kshs
Transfer from County and other Government entities	2,830,000
Total	2,830,000

b. Transfers from County Government (Categorized)

Name of the Entity Sending the Grant	Amount Recognized to Statement of Financial Performance	Amount Deferred under Deferred Income	Amount Recognised in Capital Fund.	Total Grant Income During the Year
	Kshs	Kshs	Kshs	Kshs
Gilgil NGCDF	2,600,000	-	-	2,600,000
TVETA	69,000	-	-	69,000
Nakuru county	161,000	-	-	161,000
Total	2,830,000	-	-	2,830,000

2. Transfers from National Government entities

Description	FY 2023/2024
	Kshs
Transfer from Ministry/State Dept MoE (Unconditional)	12,000,000
Total	12,000,000

3. Fees from Students

Description	FY 2023/2024
	Kshs
Activity Fees	448,042
Administration	4,260,305
Personal Emoluments	6,295,492
Electricity, Water and Conservancy	684,665
Local, Travel and Transport	5,779,195
Repairs and Maintenance	679,877
Total Fees from students	18,147,576
Less: Transfers from County and Other Entities	(2,830,000)
Net Total	15,317,576

4. Use of Goods and Services

Description	FY 2023/2024
	Kshs
Local, Travel and Transport Expenses	2,096,610
Electricity Water and Conservancy Expenses	198,600
Administration Expenses	1,384,442
Total	3,679,652

5. Employee Costs

Description	FY 2023/2024
	Kshs
Salaries and wages	2,335,500
Total	2,335,500

6. Depreciation and Amortization Expense

Description	FY 2023/2024
	Kshs
Property, Plant and Equipment	1,475,237
Total	1,475,237

7. Repairs and Maintenance

Description	FY 2023/2024
	Kshs
Environment Maintenance Expenses	223,620
Total	223,620

8. Cash and Cash Equivalents

Description	FY 2023/2024
	Kshs
Current Account	10,949,458
Total	10,949,458

8 (b). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	FY 2023/2024
Current Account		Kshs
KCB	1260304280	10,949,458
Total		10,949,458

9. Receivables from Exchange transactions

9 (a) Current Receivables from Exchange transactions

Description	FY 2023/2024
	Kshs
Student Debtors	13,624,377
Total	13,624,377

9(b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2023/2024	
	Kshs	%
Less than 1 year	13,624,377	100%
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
Total (a+b)	13,624,377	100%

10. Inventories

Description	FY 2023/2024
	Kshs
Catering Stores	214,346
Total	214,346

11. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and Equipment	Total
	-	2%	10%	30%	10%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	-	-	-	-	-	-
Additions	15,000,000	60,342,783	600,000	426,000	805,817	77,174,600
Depreciation	-	1,206,856	60,000	127,800	80,582	1,475,237
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/ Adjustment	-	-	-	-	-	-
At 30th Jun 2024	-	1,206,856	60,000	127,800	80,582	1,475,237
At 30th Jun 2024	15,000,000	59,135,927	540,000	298,200	725,235	75,699,363

11 (b) Property, Plant and Equipment at Cost

Description	Cost (Kshs)	Accumulated Depreciation (Kshs)	NBV (Kshs)
Land	15,000,000	-	15,000,000
Buildings	60,342,783	1,206,856	59,135,927
Plant And Machinery	805,817	80,582	725,235
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	426,000	127,800	298,200
Office Equipment, Furniture, And Fittings	600,000	60,000	540,000
Total	77,174,600	1,475,237	75,699,363

12. Biological Assets

	FY 2023/2024
	Kshs
Cattle	-
Trees	-
Others (Specify)	-
Total	-

13. Trade and Other Payables from Exchange Transactions

Description	FY 2023/2024	
	Kshs	
Trade payables	-	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	-	-
Ageing analysis:	FY 2023/2024	% of the Total
Under one year	-	-
1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
Total (to tie to totals above)	-	-

14. Cash Generated from Operations.

Description	FY 2023/2024
	Kshs
Surplus/(Deficit) for the year	22,433,567
Adjusted for:	-
Depreciation	1,475,237
Non-Cash grants received	-
Contributed assets	-
Impairment	-
Gains and Losses on Disposal of Assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Finance Income	-
Finance Cost	-
Working Capital Adjustments	23,908,804
Increase in Inventory	(214,346)
Increase in Receivables	(13,624,377)
Increase in Deferred Income	2,711,194
Increase in Payables	-
Increase in Payments received in advance	-
Net Cash Flow from Operating Activities	12,781,275

15. Deferred Income

Description	FY 2023/2024
	Kshs
National Funding Bodies	2,711,194
Total	2,711,194

These are grant that were disbursed meant for construction of ablution block but were not spent during the financial year 2023/2024.

The deferred income movement is as follows:

Description	County government	National funding/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	2,711,194	-	2,711,194
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	2,711,194	-	2,711,194

Analysed as:

Description	FY 2023/2024
	Kshs
Current Liabilities	2,711,194
Total	2,711,194

16. Accumulated Surplus (Deficit)

Description	FY 2023/2024
	Kshs
Balance b/f	-
Surplus/Deficit	22,433,567
Total	22,433,567

17. Capital and Equity

Description	FY 2023/2024
	Kshs
Balance b/f	-
Additions During the Year	75,342,783
Total	75,342,783

42. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount	Fully performing	Past due	Impaired
At 30 June 2024	Kshs	Kshs	Kshs	Kshs
Receivables from exchange transactions	13,624,377	13,624,377	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	10,949,458	10,949,458	-	-
Total	24,573,835	24,573,835	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

The entity has not significant concentration of credit risk.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
At 30 June 2024	Kshs	Kshs	Kshs	Kshs
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	2,711,194	2,711,194
Total	-	-	2,711,194	2,711,194

Market risk

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

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

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

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

a) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	FY 2023/2024
	Kshs
Revaluation Reserve	-
Retained Earnings	-
Capital Reserve	22,433,567
Total Funds	75,342,783
Total Borrowings	97,776,350
Less: Cash and Bank Balances	2,711,194
Net Debt/(Excess Cash and Cash Equivalentents)	(10,949,458)
Gearing %	(8,238,264)

46. Events after the Reporting Period

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

47. Currency

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

Appendix II: Projects Implemented by Gilgil Technical and Vocational College

Projects

Projects implemented by the Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Note: No project has been funded by development partners.

Status of Project Completion

No status of the project to summarize

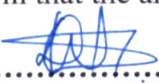
Sno.	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							


Appendix III- Inter-Entity Confirmation Letter

Transfers from other Government Entities

Sno	Transferring Entity	Beneficiary Entity	Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C) = A + B	Remarks
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	500,000	-	500,000	
2	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	500,000	-	500,000	
3	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	500,000	-	500,000	
4	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	500,000	-	500,000	
5	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	10,000,000	-	10,000,000	
6	State Department for Technical Vocational Education and Training	Gilgil TVC	-	-	-	2,711,194	2,711,194	
	Total		-	-	12,000,000	2,711,194	14,700,194	

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

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Lucy Mukundi
Head of Accounts Department
Date: 26th June 2025

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Dr. Stephen Ngugi Mbugua
Principal/Secretary BoM
Date: 26th June 2025