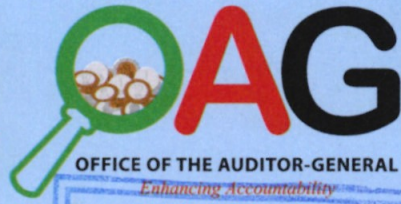


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 APR 2026	DAY: Thursday
BY: <i>Paula</i>	<i>Leader of the Majority</i>
CLERK-AT THE-TABLE:	<i>Kamela T.</i>

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REPORT

OF

THE AUDITOR-GENERAL

ON

**OL KALOU TECHNICAL AND
VOCATIONAL COLLEGE**

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



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P.O. Box 30084 - 00100, NAIROBI
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Ol Kalou 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)

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

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

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the Institution

2. Key Entity Information and Management

(a) Background information

OI Kalou Technical and Vocational College was established in the year 2024 through an initiative from the local community and leaders. The college is established by and derives its authority and mandate from TVET Act 2013. It is domiciled in Kenya and is wholly owned by the Government of Kenya under the Ministry of Education, State Department for Technical and Vocational Education and Training. The college principal activity is provision of technical and vocational education and training (TVET), research and innovation.

The college operations are guided by various legislations and regulations including TVET Act 2013, Science, Technology and Innovation (ST&I) Act 2013, TVET regulations 2015, Public Finance Management Act 2012, Public Procurement and Disposal Act 2015 among others.

(b) Principal Activities

OI Kalou Technical and Vocational College enables trainees to acquire practical skills, knowhow and understanding necessary for employment in certain occupations or trades as follows:

- Level 3 that targets primary school's leavers that do not transit to secondary school and those with trade test qualification and may wish to proceed with their studies.
- Level 4 that targets the lower cohort of secondary school leavers who do not transit to university education and those from Level 3 who may wish to proceed with their studies
- Level 5 and Level 6 that target the upper cohort of secondary school leavers who do not transit to university education and those from Level 4 who may wish to proceed with their studies

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Senior Management
- Trainers on Duty



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3. The Board of Governors

The Board of Governors had not been appointed during the financial year ended 30 June 2024.

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4. Key Management Team

SN.	Member/ Director	Details
1.	 <p>Jacob Mwangi Holds MED Educational Administration, BED science, Diploma Education Management.</p>	<p>Principal Authorization on Allocation of resources, procurement, and Bank Signatory</p>
2.	 <p>Mary Njane B.Ed(Science), M.Sc. Applied Mathematics</p>	<p>Deputy principal Administration of NyNP Bank Signatory</p>
3.	 <p>CPA Monica Ndirangu MBA (Strategic Management) B.Com (Accounting Option), CPA- K, Member ICPAK, Member AWAK CS II</p>	<p>Head of Finance in NyNP Bank Signatory</p>

5. Chairman's Statement

The BOG/Council continued to provide strategic direction, policy oversight, and governance support in accordance with the Constitution of Kenya, 2010; the Technical and Vocational Education and Training (TVET) Act, 2013; Mwongozo Code of Governance for State Corporations (2015); and other relevant public sector regulations.

Key Activities Undertaken During the Year

During the reporting period, the BOG/Council oversaw several institutional initiatives aimed at strengthening academic delivery, financial management, stakeholder engagement, and infrastructure development. Key activities included:

Formulation of the College Strategic Plan and annual work plans. The strategic plan is at its final stages.

- Oversight of student recruitment initiatives and public awareness campaigns in Nyandarua County and surrounding regions.
- Monitoring implementation of competency-based education and training (CBET) programmes.
- Strengthening of internal financial controls, procurement oversight, and compliance with the Public Finance Management Act (PFMA), 2012.
- Formation and operationalization of BOG/Council committees, including Finance & Resource Mobilization, Academic, and Audit & Risk.
- Engagement with national government agencies, industry stakeholders, and community leaders for partnership development.

Successes Consolidated

The BOG/Council is pleased to report progress toward institutional goals:

- Increased student enrollment and improved retention rates compared to the previous year.
- Successful acquisition of training equipment and refurbishment of workshops and classrooms.
- Strengthened institutional governance through formulation of policies, committee charters, and reporting mechanisms.

Improved participation in industry attachment programmes and vocational skills exhibitions.

Preparation and submission of financial reports and audit documentation.

Challenges Faced

Despite the positive progress, OTVC continues to experience challenges in areas that require sustained intervention and strategic planning:

- Induction of the BOG/Council – so far this has not yet been done due to little financial resources.
- Limited financial resources relative to expanding institutional needs and infrastructure gaps.
- Inadequate staffing levels, particularly in specialized technical areas requiring expert trainers.
- Delays in disbursement of grant, capitation and HELB funds from government agencies.

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Way Forward and Future Outlook

The BOG/Council remains committed to strengthening institutional performance and advancing the College's mandate. Planned interventions include:

- Increasing partnerships with private sector and donor agencies to expand practical training opportunities.
- Prioritizing development of additional training materials, ICT infrastructure, and student support facilities.
- Advocating for additional staffing from the Public Service Commission and development funding from the Ministry of Education.
- Enhancing internal monitoring and evaluation systems to track performance against predetermined objectives.
- Promoting community outreach programmes to support youth empowerment, skills development, and entrepreneurship in the region.

The BOG/Council is confident that continued stakeholder cooperation and prudent resource management will position OTVC as a leading technical institution serving Nyandarua County and the rest of the country.

Acknowledgements

On behalf of the BOG/Council, I wish to acknowledge the State Department for Technical Vocational Education and Training, the Ministry of Education, development partners, community leaders, staff, and students for their unwavering support and contribution to the College's growth and success.

Signed: *N. O. Ojha*

Chairman, Council of Governors

Date: 18/12/2025

6. Report of the Principal

I assumed duty as the Principal of Ol Kalou Technical and Vocational College on 26 July 2022, at a time when the College was still under construction and had not commenced operations. Upon reporting, the institution did not have students, trainers, or administrative structures in place, and essential facilities were still incomplete.

The construction of the College was completed, and the institution was formally handed over to me on 22 August 2023 by the State Department of Public Works in collaboration with Nairobi Technical Training Institute, which served as the mentoring institution. This handover marked a significant milestone in the establishment of the College and paved the way for operationalisation and commencement of academic activities.

During the initial period under review, the College's only source of funding was grants from the National Government. The absence of internally generated revenue posed financial constraints, which affected the pace of operationalisation, procurement of learning materials, marketing activities, and staffing. Additionally, the College operated without an appointed Board of Governors throughout the period, limiting formal governance structures and strategic oversight. In the absence of a Board, administrative and operational decisions were undertaken in line with applicable government guidelines and directives from the parent Ministry.

The College faced several challenges during the establishment phase, key among them being inadequate funding, limited visibility and marketing of the institution, and delays in staffing. These challenges affected student enrolment and the timely commencement of training programmes. Despite these constraints, efforts were made to prepare the institution for opening through stakeholder engagement, coordination with the mentoring institution, and gradual mobilisation of resources.

In September 2023, the College registered a major administrative development with the reporting of the Deputy Principal, Ms. Lucy Boboti, which strengthened the institution's leadership and administrative capacity. Subsequently, in November 2023, four trainers were recruited and deployed to the College. This enabled the institution to commence learning activities and begin delivering training programmes to enrolled students.

Going forward, the College remains committed to strengthening governance structures upon appointment of the Board of Governors, enhancing marketing and student recruitment strategies, expanding training programmes, and improving resource mobilisation. With continued support from the National Government and other stakeholders, the College is positioned to fulfil its mandate of providing quality technical and vocational education and training to the community and the nation at large.

7. Statement of Performance against Predetermined Objectives

OI Kalou Technical and Vocational College (OTVC) sets annual predetermined objectives to guide the implementation of its mandate in accordance with the Technical and Vocational Education and Training Act, 2013; the Public Finance Management Act, 2012; and the strategic priorities of the State Department for Technical Vocational Education and Training. The College remains committed to measuring performance based on targets, results, efficiency, and value for public resources.

1. Objective: Access, Equity, and Trainee Enrollment

Target: Increase trainee enrollment in all level courses and promote equitable access to TVET within Nyandarua County and surrounding regions.

Performance: OTVC undertook outreach and community mobilization activities resulting in increased trainee applications and admission numbers during the reporting period. Special emphasis was placed on youth from marginalized and low-income households, in line with government priorities and the national TVET expansion framework.

2. Objective: Academic Quality and Training Delivery

Target: Deliver quality, competency-based training aligned to the CBET curriculum and industry requirements.

Performance: Training programmes were implemented through qualified trainers, approved curricula, and practical sessions. Assessment preparation, internal moderation, and compliance with the Kenya National Qualifications Authority (KNQA) and TVET CDACC standards were upheld. External examination performance and completion rates demonstrated steady improvement over the reporting period.

3. Objective: Infrastructure and Institutional Development

Target: Improve learning facilities, workshops, ICT resources, and administrative systems to support training and operations.

Performance: Incremental improvement in physical infrastructure and acquisition of training equipment were achieved through budget allocations and partnerships. This included prioritizing

workshops, classroom training facilities, and ICT connectivity to support blended learning and digital administrative processes.

4. Objective: Financial Management and Accountability

Target: Ensure prudent utilization of public funds, compliance with the Public Finance Management Act, 2012, and timely financial reporting to the Office of the Auditor-General.

Performance: Budget implementation reports, procurement plans, and financial statements were prepared. Internal controls were strengthened, and audit recommendations were tracked through the Finance and Resource Mobilization Committee to promote transparency and fiscal discipline.

5. Objective: Human Resource Capacity

Target: Recruit, develop, and retain qualified instructional and non-teaching personnel.

Performance: Staff deployment, continuous professional development, and performance management frameworks were implemented during the reporting period. The College fostered a results-oriented work environment consistent with public service values and efficiency standards.

6. Objective: Governance and Compliance

Target: Strengthen corporate governance and adherence to Mwongozo, Board regulations, and relevant legislation.

Performance: The BOG/Council successfully conducted scheduled meetings, and oversaw committee reports. Compliance with ethics, integrity, procurement law, and conflict-of-interest regulations was confirmed as part of internal governance checks.

7. Objective: Industry Linkages and Partnerships

Target: Enhance collaboration with employers, industry players, and community stakeholders for industrial attachment, technology transfer, and curriculum relevance.

Performance: Engagement with industry stakeholders increased placement opportunities for trainees and supported curriculum input from sector experts, thereby improving graduate employability and institutional credibility.

Conclusion

Based on the above performance measures, OI Kalou Technical and Vocational College has demonstrated measurable progress toward meeting its predetermined objectives. Continuous monitoring, evaluation, and documentation will be undertaken to ensure sustained improvement, effective resource utilization, and alignment with national TVET development goals.

8. Corporate Governance

Ol Kalou Technical and Vocational College (OTVC) is committed to the principles of transparent, accountable, ethical, and effective corporate governance in accordance with the Constitution of Kenya, 2010; the Technical and Vocational Education and Training Act, 2013; the Public Finance Management Act, 2012; the Leadership and Integrity Act, 2012; and Mwongozo — The Code of Governance for State Corporations (2015). The College seeks to uphold professionalism, integrity, equity, inclusivity, and responsiveness in all its operations, decision-making processes, and stakeholder engagements.

Governance Structure

The governance of OTVC is vested in the BOG/Council of Governors established under Section 26 of the TVET Act, 2013. The BOG/Council provides strategic direction, approves institutional policies, oversees financial management, ensures accountability to the public, and protects the interests of learners, staff, government, and development partners.

The Principal, appointed pursuant to the TVET Act, serves as the Chief Executive Officer and Secretary to the BOG/Council, responsible for the day-to-day administration of the College and implementation of BOG/Council resolutions.

Ethics, Integrity, and Conflict of Interest

All BOG/Council members and officers adhere to Chapter Six of the Constitution (Leadership and Integrity), Mwongozo provisions on ethics, and OTVC governance policies. Members are required to declare any conflicts of interest and refrain from participation in decisions where such conflicts exist. Procurement is conducted strictly in accordance with the Public Procurement and Asset Disposal Act, 2015.

Financial Governance and Accountability

The College practices responsible and transparent financial management guided by the Public Finance Management Act, 2012. Annual budgets, financial statements, and internal controls are approved by the BOG/Council and subjected to review by the Office of the Auditor-General. The College promotes value-for-money principles, prudence, and proper use of public resources.

Risk Management and Internal Control

OTVC maintains internal control systems to safeguard assets, ensure reliability of records, and promote operational efficiency. The College is committed to continuous improvement in institutional governance standards.

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Stakeholder Engagement

The College recognizes the importance of transparent communication with stakeholders including students, staff, government agencies, industry partners, and the local community. OTVC promotes participatory governance and guarantees access to information consistent with the Access to Information Act, 2016.

9. Management Discussion and Analysis

Overview of the Institution

Ol Kalou Technical and Vocational College (OTVC) is a public Technical and Vocational Education and Training (TVET) institution established under the TVET Act, 2013, with the mandate to provide competency-based education and training (CBET), promote youth skills development, and support national human capital growth. The college aims to produce graduates who are technically skilled, employable, and entrepreneurial.

The period under review marks continued growth in student enrolment, infrastructure expansion, staff capacity building, and academic program development, despite persistent financial and operational challenges.

Operating Environment

Economic Environment

The institution operated in a challenging macroeconomic environment characterized by:

Inflationary pressures affecting operational costs.

Increased fuel prices impacting transport and marketing activities.

Budget constraints in government funding due to national fiscal pressures.

Despite these challenges, the college continued implementing strategic initiatives aligned with the Ministry of Education, State Department for TVET priorities.

Regulatory Environment

OTVC operated under the following legal and policy frameworks:

TVET Act, 2013

Public Finance Management (PFM) Act, 2012

Mwongozo Code of Governance for State Corporations

Public Audit Act, 2015

Public Procurement and Asset Disposal Act, 2015

Compliance with these frameworks guided financial reporting, governance, procurement, and institutional management.

Key Institutional Performance Highlights

Student Enrolment and Academic Programs

Growth in student enrolment attributed to increased outreach and marketing.

Expansion of CBET programs and industry-aligned courses.

Strengthening of partnerships with industry players to support industrial attachment and employability.

Human Resource Development

Recruitment of additional trainers and administrative staff by PSC/BOG.

Continuous professional development programs conducted for trainers.

Improved staff competencies in CBET implementation.

Infrastructure Development

During the reporting period, OTVC recorded progress in infrastructure, including:

Construction of additional ablution block.

Acquisition of specialized training equipment through government and donor support.

Financial Performance

Revenue Performance

Revenue for the period was derived from:

Appropriations-in-aid (A-in-A), mainly student fees

Grants from the national government and development partners

Although the college got government grants, A-in-A remained below projected targets due to low initial enrolment levels as the institution is still growing.

Expenditure Performance

Major expenditures included:

Staff compensation

Training materials and consumables

Marketing and outreach activities

College operations (utilities, maintenance, ICT services)

Cost optimization measures were implemented, although inflation exerted pressure on operational costs.

Marketing and Outreach Activities

To increase enrolment and visibility, OTVC intensified marketing through:

Direct outreach to communities, chiefs' barazas, and secondary schools

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Use of personal and institutional transport for mobility

Media engagements and participation in exhibitions

The principal undertook extensive field marketing, especially during the early stages of the college, due to lack of institutional vehicles and limited staffing.

Key Challenges

OTVC faced several challenges, including:

Limited financial resources compared to institutional needs

Inadequate training equipment in technical fields

Low initial enrolment affecting A-in-A performance

Lack of institutional transport, resulting in reliance on personal vehicles for official duties

Staffing gaps in certain technical areas

Risk Management

Major risk areas identified included:

Funding risks due to delayed exchequer releases

Operational risks related to inadequate staffing

Reputational risks due to competition from established TVET institutions

Mitigation measures included prudent financial management, diversification of programs, and enhanced stakeholder engagement.

Governance and Compliance

The Council provided strategic oversight in line with:

Mwongozo Code of Governance

TVET Act requirements

Outlook for the FY 2024/2025

The institution projects growth driven by:

Expansion of CBET programs

Targeted enrolment campaigns

Strengthened partnerships with industry and development agencies

Use of ICT in training and administration

OTVC is committed to positioning itself as a centre of excellence in technical and vocational training within Nyandarua County and the region.

Conclusion

Despite facing resource constraints, Ol Kalou Technical and Vocational College made substantial strides in expanding access to quality technical and vocational education. The management remains committed to improving performance, strengthening governance, and delivering value to trainees and stakeholders.

10.Environmental and Sustainability Reporting Statement

OI Kalou Technical and Vocational College (OTVC) is committed to environmental stewardship, sustainable resource management, and compliance with national and institutional environmental policies. This Environmental and Sustainability Reporting Statement outlines the college's initiatives, performance, challenges, and future plans in promoting sustainability within its operations and the surrounding community.

The statement is guided by the Environmental Management and Coordination Act (EMCA), 1999 (Amended 2015), the Climate Change Act, 2016, the National Climate Change Action Plan (NCCAP), and the Ministry of Education and TVET sector guidelines on environmental conservation.

Environmental Governance and Policy Framework

OTVC implemented environmental sustainability practices anchored on:

EMCA (1999, Amended 2015)

Climate Change Act (2016)

National Environmental Policy (2013)

Mwongozo Code of Governance for State Corporations

OTVC internal policies on waste management, energy use, and campus greening

Environmental initiatives were coordinated through the college management, student associations, and relevant departmental committees.

Energy Management

The college undertook initiatives aimed at reducing energy consumption and improving efficiency, including:

Use of energy-efficient lighting (LED bulbs) across classrooms, offices, and workshops

Encouragement of responsible energy use by staff and students

Preventive maintenance of electrical systems and equipment to reduce energy losses

Future plans include installation of solar systems and adoption of energy monitoring tools.

Water Conservation and Management

To enhance water sustainability, the institution implemented:

- Water usage controls (leak repairs, awareness campaigns)
- Regular maintenance of plumbing systems to reduce wastage
- The college plans to install rainwater harvesting capacity and install water-saving sanitary fittings.

Waste Management

OTVC adopted structured waste management practices, including:

- Partnership with licensed waste collection companies
- Creation of awareness among students on proper waste disposal
- Reduction of paper usage through digital communication and e-learning platforms
- Future initiatives include segregation of waste at source (organic, recyclable, and non-recyclable), Safe disposal of workshop-related waste such as metal scraps, oils, and plastics establishing a recycling unit for training and environmental conservation.

Environmental Conservation and College Greening

Key greening and conservation initiatives during the year included:

- Tree planting activities in support of the National Tree Growing and Restoration Campaign
 - Involvement of students in environmental clubs and conservation drives
 - Awareness campaigns in line with the Ministry of Environment's call for climate action
- OTVC targets to do landscaping and beautification of college grounds, increase campus tree cover to contribute to the national 15-billion trees initiative.

Climate Change Mitigation and Adaptation

In response to climate change priorities, OTVC implemented:

- Energy conservation strategies
 - Awareness activities focusing on climate change mitigation
- The institution plans to include green skills and environmental modules in technical training, encourage sustainable transport options such as cycling and walking, introduce additional CBET programs focusing on renewable energy and green technologies.

Sustainable Procurement

The college promoted sustainability through:

- Procurement of energy-efficient and environmentally friendly materials

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Adherence to the Public Procurement and Asset Disposal Act (PPADA) 2015 sustainability provisions

Preference for suppliers compliant with NEMA licensing and environmental standards

Promotion of local suppliers to reduce carbon footprint associated with long-distance transportation

Community Engagement and Environmental Awareness

Environmental sustainability was promoted beyond the college through:

Collaboration with local communities, the County Government of Nyandarua, and NEMA on environmental protection

Challenges

The institution faced the following constraints:

Inadequate funding for large-scale environmental projects

Lack of infrastructure for water harvesting and recycling

Lack of advanced waste management facilities

Future Plans

OTVC is committed to strengthening environmental sustainability through:

Installation of solar energy systems

Increasing climate-smart infrastructure and green buildings

Developing partnerships for environmental research and green skills training

Enhancing student-led environmental clubs and innovation hubs

Conclusion

OI Kalou Technical and Vocational College remains committed to integrating sustainability into its operations, training, and community engagements. Through continued investment, collaboration, and adherence to National policies, the Institution aims to become a leader in environmental conservation and sustainable development in the TVET sector.

Corporate Social Responsibility / Community Engagements

The Institution recognizes the need for Corporate Social Responsibility (CSR) and engages in various activities.

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Annual Report and Financial Statements for the year ended 30th June 2024

11. Report of the Board of Governors.

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Institution's affairs.

Principal activities

The principal activities of the Institution are training, research and development are expected to continue in foreseeable future.

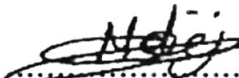
Results

The results of the Institution for the year ended June 30 2024 are set out on page 1 to 5.

Auditors

The Auditor General is responsible for the statutory audit of the Institution in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of the Institution for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By order of the Governing Council


.....

Secretary of the Governing Council

Nyandarua

Date: 18/12/2025

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

12. Statement of Board of Governors Responsibilities

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

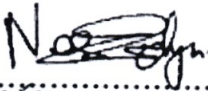
The Council members are responsible for the preparation and presentation of the *College's* financial statements, which give a true and fair view of the state of affairs of the *College* for and as at the end of the six months period ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *College*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Council members accept responsibility for the *College's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act*, 2013). The Board members are of the opinion that the *College's* financial statements give a true and fair view of the state of *College's* transactions during the six months period ended June 30, 2023, and of the *College's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *College*, which have been relied upon in the preparation of the *College's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *College's* financial statements were approved by the Board on 18/12/2025 and signed on its behalf by:


.....
Name **EVELYNE NAGANU**
Chairperson of the Board/Council


.....
Name **JACOB MWANGI**
Accounting Officer/Principal

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON OL KALOU 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 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 financial statements of Ol Kalou Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ol Kalou 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. Unsupported Expenditure

The statement of financial performance reflects use of goods and services amount of Kshs.2,126,256 which as disclosed in Note 5 to the financial statements includes Kshs.142,434 paid for various goods and services. However, supporting documents such as approved programs of activities, work ticket/bus, back to office report, travel documents, program of events were not provided for audit verification.

Further, the Kshs.2,126,256 includes Kshs.74,000 in respect of fuel consumed by a vehicle which does not belong to the College.

In the circumstances, the propriety and value for money for the expenditure could not be confirmed.

2. Unsupported Inventories

The statement of financial position reflects inventories balance of Kshs.1,191,570 as disclosed in Note 12 to the financial statements. However, amount was not supported by stock taking sheets, stores ledgers and stock taking instructions.

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

3. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.65,493,489 which as disclosed in Note 13 to the financial statements includes Kshs.15,000,000 in respect of land that was donated by a primary school. However, documents, showing how the value reflected in the financial statements was arrived at, was not provided for audit review.

Physical verification carried out during the month of December, 2025 revealed that the College had other assets such furniture, equipment and computers, which were not tagged.

Further, the assets register provided was incomplete and did not include for each asset, the date of asset acquisition, cost/value of assets, location, condition of the asset, asset tag number, description of the asset, equipment mode and serial number. In addition, College is built on a parcel of land whose ownership documents and size were not provided for audit review.

In the circumstances, the security, location and value of fixed assets could not be confirmed.

4. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.1,590,740 as disclosed in Note 16 to the financial statements. However, recasting of schedule provided reflects Kshs.1,692,360 resulting to a variance of Kshs.101,620.

Further, review of the ledgers revealed that the Kshs.1,692,360 which relate to use of goods and services, board allowances, employee costs and repairs and maintenance were not included as expenses in the statement of financial position.

In addition, the Kshs.1,692,360 balance includes facilitation allowances for two staff members of Kshs.904,000 and Kshs.102,620 both totalling Kshs.1,006,620 which was not supported by documents as approved request, program of activities, back to office report, reason for the facilitation and evidence that activities took place and the Principal and Deputy Principal attended the events.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.1,590,740 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ol Kalou 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.

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.5,343,942 and Kshs.5,928,297 respectively, resulting to over collection of revenue of Kshs.584,355 or 11% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.5,343,942 and Kshs.4,884,957 respectively resulting to an under-expenditure of Kshs.458,985 or 9% of budget.

The revenue shortfall and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements for the year ended 30 June, 2024 were submitted to the Auditor-General on 02 December, 2025 approximately fourteen (14) months after the end of legal deadline of three (3) months after the end of each financial year contrary to Section 14 (2) which provides that within a period of three months after the end of each financial year, the Board shall submit to the Auditor-General the accounts of the Board.

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

2. Irregular Procurement of Goods and Service

The statement of financial performance reflects use of goods and services amount of Kshs.2,126,256 which as disclosed in Note 5 to the financial statements includes cash

payments of Kshs.186,430 for various goods and services. Documents showing how the suppliers were identified was not provided for audit review.

Further, the Kshs.2,126,256 includes Kshs.344,180 paid for procurement of various goods and service. However, quotations, opening and evaluation committee minutes, professional opinion were not provided for audit review.

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

3. Lack of Human Resource Policies and Procedures Guideline

The statement of financial performance reflects employee costs of Kshs.581,150 as disclosed in Note 6 to the financial statements. However, review of the records and inquiries from Management revealed that the College did not have an approved human resource, policies, procedures, and salary structure. Hence, remuneration rates, staff, promotion, recruitment process, discipline, training and continuous development of employees could not be confirmed.

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

4. Irregular Transfer of Funds to Kenya Association of Technical Training Institutions

The statement of financial performance reflects use of goods and services amount of Kshs.2,126,256 as disclosed in Note 5 to the financial statements includes Kshs.202,060 in respect of activity costs. The Kshs.202,060 include Kshs.97,110 transferred to Kenya Association of Technical Training Institutions (KATTI). However, KATTI is a welfare organization that draws its membership from College Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by colleges.

In the circumstances, value for money transferred to KATTI amounting to Kshs.97,110 could not be confirmed.

5. Failure to Provide Registration and Licensing Certificates of Trainers

The statement of financial performance reflects employee cost of Kshs.581,150 as disclosed in Note 6 to the financial statement. During the year under review, the College paid salaries and allowances to trainers. However, registration and licensing certificates of five (5) trainers were not provided contrary to Section 23(1) of TVET Act, 2013 which provides that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Board of Governors

Documents provided for audit review revealed that the College did not have a board of governors during the year under review contrary to Section 1(1) of the second schedule TVET Act, 2013 which provides that the Board of Governors of a public institution shall consist of not less than seven and not more than nine members appointed by the Cabinet Secretary.

In the circumstances, the effectiveness of governance of College 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 Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the 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 College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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 ISSAI 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

17 December, 2025

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

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

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government - Recurrent/Operational	1	2,000,000	865,200
Deferred grant income	20	2,093,638	0
		4,093,638	865,200
Revenue from Exchange transactions			
Rendering of services- fees from students	2	1,834,659	0
Sale of goods	3	0	0
Rental revenue from facilities and equipment	4	0	0
Revenue from Exchange transactions		1,834,659	0
Total Revenue		5,928,297	865,200
Expenses			
Use of goods and services	5	2,126,256	755,050
Employee costs	6	581,150	0
Board /Council Expenses	7	0	0
Depreciation and amortization expense	8	2,123,551	0
Repairs and maintenance	9	54,000	0
Total Expenses		4,884,957	755,050
Net surplus/deficit for the year		1,043,340	110,150

The notes set out on pages 6 to 35 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:



Name Prof. Evelyn Wagaiyu

Chairman of the Council

Date

18/12/2025

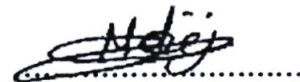


Name CPA Monica Ndirangu

Finance Officer
ICPAK No.20670

Date

18/12/2025



Name Jacob Mwangi

Principal

Date

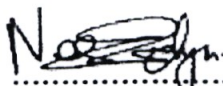
18/12/2025

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


15. Statement of Financial Position As At 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	10(a) & (b)	7,035	110,150
Current portion of receivables from exchange transactions	11	1,299,438	0
Inventories	12	1,191,570	0
Total Current Assets		2,498,043	110,150
Non-Current Assets			
Property, plant, and equipment	13	65,493,489	67,340,940
Intangible assets	14	0	0
Deferred grants		0	(67,340,940)
Biological Assets	15	0	0
Total Non-Current Assets		65,493,489	0
Total Assets (A)		67,991,532	110,150
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	16	1,590,740	0
Refundable deposits from customers	17	0	0
Deferred income	18	0	0
Total Current Liabilities		1,590,740	0
Non-Current Liabilities			
Deferred grant income		65,247,302	0
Total non- current liabilities		65,247,302	0
Total Liabilities (B)		66,838,042	0
Net Assets (A-B)		1,153,490	110,150
Represented By:			
Revaluation Reserves			
Accumulated Surplus		1,153,490	110,150
Capital Fund		0	0
Net Assets and Liabilities		67,991,532	110,150


The Financial Statements set out on pages 1 to 5 were signed by:


Name Prof. Evelyn Wagaiyu
Chairman of the Council

Date 18/12/2025


Name CPA Monica Ndirangu
Finance Officer
ICPAK No.20670

Date 18/12/2025


Name Jacob Mwangi
Principal

Date 18/12/2025

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

16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022	-	0	0	0
Revaluation gain	-			
Surplus/(deficit) for the year	-	110,150		110,150
Capital grants received during the year	-	0	0	0
Transfer of depreciation/amortisation from capital fund	-	0	0	0
Retained earnings				
At June 30, 2023	-	110,150		110,150
At July 1, 2023	-	110,150		110,150
Revaluation gain	-			
Surplus/(deficit) for the year	-	1,043,340	0	1,043,340
Capital grants received during the year	-	-	0	
Transfer of depreciation/amortisation from capital fund	-	0	0	
At June 30, 2024	-	1,153,490	0	1,153,490

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

17. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2024-2024	2023-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government -Recurrent/Operational		2,000,000	865,200
Rendering of services- fees from students		535,221	0
Sale of goods		0	0
Rental revenue from facilities and equipment		0	0
Total Receipts		2,535,221	865,200
Payments			
Use of goods and services		2,024,626	755,050
Employee costs		435,150	0
Board /Council Expenses		0	0
Repairs and maintenance		34,500	0
Total Payments		2,494,286	755,050
Net Cash Flows from operating activities	19	40,935	110,150
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(144,050)	0
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		(144,050)	0
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents			
Cash and Cash equivalents at 1 JULY 2023		110,150	0
Net Increase/(Decrease) in Cash and Cash equivalents		(103,115)	110,150
Cash and Cash equivalents at 30 JUNE 2024		7,035	110,150

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

18. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2024

Description	Original budget 2023-2024	Adjustments 2023-2024	Final	Actual on comparable basis	Performance difference	Utilization Difference
			Budget 2023-2024			
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government -Recurrent/Operational	2,000,000	-	2,000,000	2,000,000	-	100
Rendering of services- fees from students	3,343,942	-	3,343,942	1,834,659	1,509,283	55
Deferred grants income	-	-	-	2,093,638	(2,093,638)	-
Total Income	5,343,942	-	5,343,942	5,928,297	(584,355)	111
Expenses						
Use of goods and services	2,507,435	-	2,507,435	2,126,256	381,179	85
Employee costs	600,000	-	600,000	581,150	18,850	97
Board /Council Expenses	80,000	-	80,000	-	80,000	0
Depreciation and Amortization expense	2,085,555	-	2,085,555	2,123,551	-37,996	102
Repairs and maintenance	70,952	-	70,952	54,000	16,952.00	76
Total Expenditure	5,343,942	-	5,343,942	4,884,957	458,985	91
					-	
Surplus For the Period	-	-	-	1,043,340		
Capital Expenditure						

19. Notes to the Financial Statements

1. General Information

OI Kalou TVC is established by and derives its authority and accountability from TVET Act 2013. The Institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institution's principal activity is 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 Institution's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institution. 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 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2024:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Institution's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Institution's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

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Standard	Effective date and impact:
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2024</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institution provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Institution.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Institution's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2024:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2024</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2024 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 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	<p>Applicable 1st January 2025</p> <p>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 cash flows of an Institution.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

OI Kalou Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2024

Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st 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.

iii. Early adoption of standards

The Institution did not early-adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institution 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.

Deferred grant income

In accordance with IPSAS 23 – Revenue from Non-Exchange Transactions. The Institution applies the deferred income approach in accounting for grants, donations and other transfers. Where donations and grants are received, they are initially recognised as deferred income (a liability) and is recognised as revenue in the Statement of Financial Performance on a systematic basis over the period in which the associated assets are utilised.

ii) Revenue from exchange transactions

Rendering of services

The Institution 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 Institution.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 25th May 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 Institution upon receiving the respective approvals to conclude the final budget. The Institution'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

Ol Kalou Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2024

financial statements were recast from the accrual basis to the cash basis and reclassified by presentation, to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 of these financial statements.

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

The Polytechnic is exempt from paying taxes as per Section 10 sub-section (a) and (b) of Income Tax Act 2010.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 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 Institution 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 Institution. 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 Institution 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

Summary of Significant Accounting Policies (Continued)

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 Institution 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 Institution. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The Institution expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institution 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

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Institution does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Institution and a financial liability or equity instrument of another Institution. At initial recognition, the Institution 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.

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

The Institution 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 Institution'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 Institution 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 Institution classifies its financial Assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Institution 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.

Summary of Significant Accounting Policies (Continued)

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 Institution 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 Institution 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.

Financial liabilities

Classification

The Institution 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.

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 Institution.

k) Provisions

Provisions are recognized when the Institution has a present obligation (legal or constructive) as a result of

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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 Institution 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.

l) Contingent liabilities

The Institution does not recognize a contingent liability but discloses details of any contingencies in the notes

Summary of Significant Accounting Policies (Continued)

to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The Institution 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 Institution 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.

n) 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 Institution 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 Institution will incur in fulfilling the present obligations represented by the liability.

o) Nature and purpose of reserves

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

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The Institution provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Institution pays fixed contributions into a separate institution (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.

r) 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

Summary of Significant Accounting Policies (Continued)

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.

s) 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.

t) Related parties

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

u) Service concession arrangements

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

v) 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.

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w) Comparative figures

The financial results for 2022/23 cover a six-month period and therefore are not comparable with the figures the year ended 30 June 2024.

x) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institution'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 Institution 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 Institution. 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 Institution.
- 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.

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

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Notes to the Financial Statements

1. Transfers from other National Government entities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	0
Operational/Recurrent Grant	2,000,000	865,200
Development grants	-	0
Other Grants	-	0
Total unconditional Grants	2,000,000	865,200
Total Government Grants and Subsidies	2,000,000	865,200

2. Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	973,594	0
Activity Fees	132,848	0
Examination Fees	0	0
Repair, Maintenance &Improvement	95,504	0
Personal Emoluments	353,767	0
Registration Fees	0	0
Travelling &Transport	112,673	0
Medical &Insurance	53,600	0
Electricity, Water &Conservancy	112,673	0
Caution Money	0	0
Student I.D	0	0
KUCCPS Validation Fees	0	0
TVETA Quality Assurance Fees	0	0
Total Revenue from The Rendering of Services	1,834,659	0

3. Sale of Goods

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Sale of Farm Produce	-	0
Production Units Income	-	0
Total Revenue from Sale of Goods	-	0

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4. Rental revenue from facilities and equipment

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hire of Facilities and Equipment	0	0
Catering & Accommodation	0	0
Operating Lease Revenue	0	0
Total	0	0

5. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Teaching and learning materials	541,515	0
Industrial attachment costs	21,250	0
Electricity	10,000	1,000
Water	22,670	0
Marketing & Advertising costs	126,750	89,000
Subscriptions	0	0
Administration Expenses	249,611	217,700
KUCCPS validation fees	70,000	0
Audit fees	0	0
Travelling and accommodation	504,880	201,500
Fuel and oil	72,000	0
Insurance Expenses	0	0
Printing and stationery	64,470	0
Activity Expenses	202,060	114,850
Telephone expenses	13,000	18,000
Internet expenses	53,000	0
Capacity Building	162,170	113,000
Examination costs	10,000	0
Garbage & Sanitation Services	2,880	0
Total good and services	2,126,256	755,050

6. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Basic Pay	474,000	0
House Allowance	0	0
Commuter Allowance	0	0

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Employer NSSF	0	0
Gross Pay	474,000	0
PAYE	0	0
NHIF	0	0
NSSF	0	0
HELB loan Deductions	0	0
Housing Levy	0	0
NITA Levy	0	0
Total Deductions	0	0
Net Pay	474,000	0
Casual Workers	107,150	0
Employee Costs	581,150	0

7. Board Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors Emoluments-Sitting Allowance	0	0
Governing Council-Accommodation	0	0
Governing Council -Transport expenses	0	0
Governing Council -Internet expenses	0	0
Total	0	0

8. Depreciation and Amortization expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	2,123,551	0
Intangible assets	0	0
Total depreciation and amortization	2,123,551	0

9. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property,Plant &Equipment	34,500	0
Furniture and fittings	19,500	0
Computers and accessories	0	0
Total Repairs and Maintenance	54,000	0

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10. (a) Cash and Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Account	7,035	110,150
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others (Specify)	0	0
Total Cash and Cash Equivalents	7,035	110,150

(b) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
a) Current Account			
K.C.B-Fees collection A/C	1309012571	7,035	110,150
Sub- Total			
Cash in Hand		0	0
Mobile Money account		0	0
Sub- Total		0	0
Grand Total		7,035	110,150

11. Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Receivables	Kshs	Kshs
Student Debtors	1,299,438	0
Other Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors-Advance	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	1,299,438	0

12. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	1,191,570	0
Maintenance stores	0	0
Electrical stores-Consumables	0	0
Less: Impairment allowance	0	0
Total Inventories at lower of Cost and Net Realizable Value	1,191,570	0

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13. PPE

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	0%	4%	17%	12.5%	33%	8%			
At 1 July 2022	15,000,000	52,340,940	0	0	0	0	0	0	67,340,940
Additions									
Disposals									
Transfers/Adjustments									
At 30th June 2023	15,000,000	52,340,940	0	0	0	0	0	0	67,340,940
Additions				230,100			46,000		276,100
Disposals									
Transfer/Adjustments									
At 30th June 2024	15,000,000	52,340,940	0	230,100	0	0	46,000	0	67,617,040
Depreciation And Impairment									
At 1 Jun 2022									
Depreciation		0	0	0	0	0	0	0	0
Disposals		0							0
Impairment		0							0
At 30 Jun 2023		0	0	0	0	0	0	0	0
Depreciation		2,093,638	0	29,913	0	0	0	0	2,123,551
Disposals									
Impairment									
Transfer/Adjustment									
At 30th Jun 2024		2,093,638	0	29,913	0	0	0	0	2,123,551
Net Book Values									
At 30th Jun 2023	15,000,000	52,340,940	0	0	0	0	0	0	67,340,940
At 30th Jun 2024	15,000,000	50,247,302	0	200,187	0	0	46,000	0	65,493,489

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Valuation

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

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	15,000,000	0	15,000,000
Buildings	52,340,940	2,093,638	50,247,302
Computers and Related Equipment	46,000	0	46,000
Office Equipment, Furniture, And Fittings	230,100	29,913	200,187
Work in Progress(WIP)	0	0	0
Total	67,617,040	2,123,551	65,493,489

14. Intangible Asset

Description	2023-2024	2022-2023
	Kshs	
Software's	0	0
Total	0	0

15. Biological Asset

Description	2023-2024	2022-2023
	Kshs	
Software's	0	0
Total	0	0

16. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade payables	1,590,740	0
Fees paid in advance	0	0
Salary deductions	0	0
Third-Party Payments	0	0
Other Payables	0	0
Total Trade and Other Payables	1,590,740	0

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Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	1,590,740		0	
1-2 years	0		0	
2-3 years	0		0	
Over 3 years	0		0	
Total (to tie to totals above)	1,590,740		0	

17. Refundable Deposits from Customers/Students

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money-Bal.b/f				
Add: Receipts for the year				
Total Deposits				
Less: Refunds for the year				
Total Refundable Deposits				
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (to tie to totals deposits above)				

18. Deferred Income

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Student Fees	0		0	
Others(specify)	0		0	
Total				
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (to tie to totals deposits above)				

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19. Cash generated from operations.

	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax		
Surplus for the year before tax	1,043,340	110,150
Adjusted for:		
Depreciation	2,123,551	0
Finance Cost		
Working Capital Adjustments		
Increase in Inventory	1,191,570	0
Increase in Receivables	-2,727,786	0
Increase in Deferred Income	0	0
Increase in Payables	-1,590,740	0
Increase in Refundable Deposits	0	0
Net Cash Flow from Operating Activities	40,935	110,150

20. Deferred grants.

descriptions	2023-2024	2022-2023
	Kshs	Kshs
Land	15,000,000	0
Building	52,340,940	0
Total deferred grant	67,340,940	
Depreciation	(2,093,638)	0
Total deferred income	65,247,302	0

Date	Account	Dr (KShs)	Cr (KSh)
30 June 2024	Depreciation Expense	2,093,638	
	Accumulated Depreciation		2,093,638

Narration:

Being depreciation charged for the period and transferred to accumulated depreciation.

Date	Account	Dr (KShs)	Cr (KShs)
30/06/2024	Deferred Grant – Capital Asset	2,093,638	
	Deferred Grant Income		2,093,638

Narration:

Being portion of deferred capital grant recognised as income for the year, in line with depreciation of the related building.

21. Financial Risk Management

The Institution's activities expose it to a variety of financial risks including credit and liquidity

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

(i) Credit risk

The Institution 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 institution 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 Institution'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
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	7,035	7,035	0	0
Total	7,035	7,035	0	0
At 30 June 2024				
Receivables from exchange transactions	1,299,438	1,299,438	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	7,035	7,035	0	0
Total	1,306,473	1,306,473	0	0

Financial risk management

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

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Institution's directors, who have built an appropriate liquidity risk management framework for the management of the

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Institution's short, medium and long-term funding and liquidity management requirements. The Institution 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
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	0	0	0	
Current Portion Of Borrowings	0	0	0	
Provisions	0	0	0	
Deferred Income	0	0	0	
Employee Benefit Obligation	0	0	0	
Total	0	0	0	
At 30 June 2024				
Trade Payables	0	1,590,740	0	1,590,740
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total		1,590,740		1,590,740

(iii) Market risk

The Institution has put in place an internal audit function to assist it in assessing the risk faced by the Institution on an on-going 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 Institution'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 Institution'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 Institution's exposure to market risks or the manner in which it manages and measures the risk.

iv) Capital Risk Management

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

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Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	1,153,490	110,150
Capital Reserve	0	0
Total Funds	1,153,490	110,150
Total Borrowings	0	0
Less: Cash and Bank Balances	7,035	110,150
Net Debt/(Excess Cash and Cash Equivalents)	1,146,455	0
Gearing	0	0

22. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
† expenses paid to govt agencies	0	0
‡ and conference fees paid to govt. agencies	0	0
<i>specify</i>)	0	0

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Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt-Reccurent/Operational	2,000,000	0
Grants from National Govt-Development Grants	0	0
Grants from County Government	0	0
Donations in Kind	0	0
Total	2,000,000	0
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	0	0
Payments for Goods and Services for 2023/24	0	0
Total	0	0
d) Key Management Compensation		
Directors' emoluments	0	0
Compensation to Key Management	0	0
Total	0	0

23. Capital Commitments

Capital Commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

24. Events After The Reporting Period

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

25. Ultimate And Holding Institution

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

26. Currency

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

27. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A



.....
 Name Jacob Mwangi
 Accounting Officer
 Principal

Date 18/12/2025

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Projects

Appendix II: Projects Implemented by OI Kalou Technical and Vocational College

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
	None					

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2		None					
3							

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Appendix III- Inter-Institution Confirmation Letter

OI Kalou TVC

The OI Kalou T.V.C wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Nyandarua National Polytechnic as at 30th June 2024					
				Total	
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	(C)=(A+B)	Remarks
1	07-11-23	500,000	0	500,000	Recurrent Grants Quarter 1 FY 2023/24
2	10-02-23	500,000	0	500,000	Recurrent Grants Quarter 2 FY 2023/24
4	18-01-24	500,000	0	500,000	Recurrent Grants Quarter 3 FY 2023/24
5	02-05-24	500,000	0	500,000	Recurrent Grants Quarter 4 FY 2023/24
Total		2,000,000		2,000,000	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name CPA Monica Ndirangu

Sign  Date.....18/12/2025

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
		None							

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
	None					