

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



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REPORT

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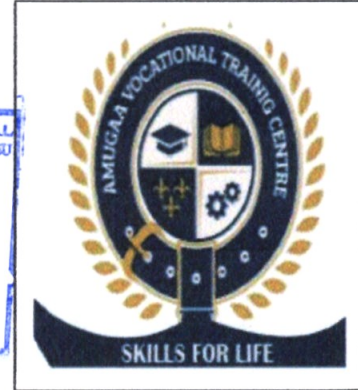
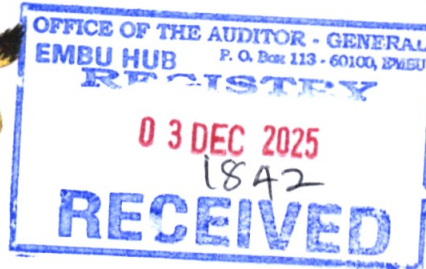
ON

**AMUGAA VOCATIONAL
TRAINING CENTER**

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



Revised 30th June 2025



AMUGAA VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training Centre

2. Key Entity Information and Management

(a) Background information

Amugaa Vocational Training Centre was established under the Technical and Vocational Education and Training (TVET) Act in 2014 and is domiciled in Kenya. The college operates under the County Department for Education, Meru County Government. The institution has a rich history, having been originally founded in 1968 under the Ministry of Youth Affairs to provide technical skills and vocational training to the community. It was later transferred to the Ministry of Education in alignment with national education reforms aimed at enhancing the quality and accessibility of vocational training.

Located in Thangatha Ward, Tigania East Sub-County, the institution has, since its inception, maintained an inclusive admission policy, enrolling both male and female students from across the county and beyond. Over six years, Amugaa Vocational Training Centre has evolved into a key training hub, offering competency-based education and practical skills to empower learners for self-reliance, gainful employment, and community development.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to equip trainees with market tailored skills to enhance National growth and self-reliance. The institution is guided by its vision to be a model youth polytechnic offering, vocational skills in the region.

The core values are:

- Transparency and accountability
- Integrity and ethical
- Teamwork
- Creativity and innovation
- Professionalism

Motto

Skills for life

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(c) Key Management

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

- Board of Management, etc.
- Accounting Officer/ Principal/Manager
- Management...;

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal/Manager	KOBIA ANDERSON
2.	Deputy Principal/Assistant Manager Finance and Academics	PRISCILAH GITAU

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit and risk committee	Reviews audit reports; monitors risk registers, ensures compliance, and conducts quarterly risk assessments.	<i>Simon kirimi-chairperson</i>
Financial and Operations Committee	Oversees budget preparation and execution, reviews financial statements, approves procurement plans, and monitors asset management.	<i>Kobia Anderson-Principal</i>
Academic committee	Monitors curriculum implementation, approves new programs, ensures academic quality, and coordinates industrial attachments	<i>Priscilah Gitau-deputy principal</i>
Development committee	Manages donor-funded projects, ensures compliance with partner agreements, prepares progress reports, and conducts joint evaluations	<i>John Mugambi-vice chairperson</i>

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(f) Entity Headquarters

P.O. Box 140-60607
MIKINDURI-MERU, KENYA

(g) Entity Contacts

E-mail: amugaavocationaltrainingcentre@gmail.com

Commercial bank

Kenya Commercial Bank

Meru-branch
ACCOUNT NO. 1284907759

Kenya commercial bank

ACCOUNT NO. 1284907775
MERU BRANCH

Dhabiti Sacco Society

ACCOUNT NO. 069319
MIKINDURI BRANCH



(h) Independent Auditors

Auditor-General
Office of the Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya



(i) Principal Legal Adviser

The Attorney General
P.O. Box 120-60200
Meru

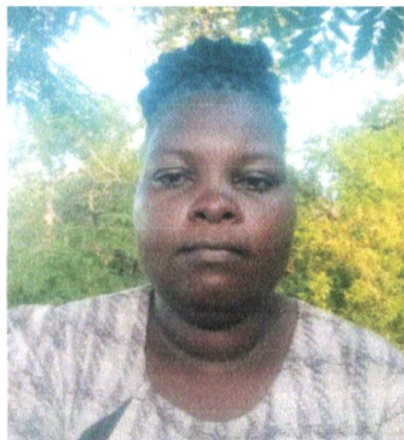
3.The Board of Management

<i>Member/ Director</i>	<i>Details</i>
 <p>Name: MERCY MWAKACIU</p>	<p>DATE OF BIRTH:01/01/1974 QUALIFICATION: MASTERS IN EDUCATION ADMINISTRATION WORK EXPIRIENCE: 25 YEARS POSITION IN BOM: CHAIRPERSON PROFESSION: TEACHER ACADEMIC: MASTERS</p>
 <p><i>NAME: JOHN MUGAMBI</i></p>	<p>DATE OF BIRTH: 22/06/1991 QUALIFICATION: DEGREE IN EDUCATION WORK EXPERIENCE:6 YEARS POSITION IN BOM: VICE- CHAIRPERSON PROFESSION: TEACHER ACADEMIC:DEGREE</p>

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 <p>Name : KOBIA ANDERSON</p>	<p>Date Of Birth: 14/07/1989 Qualification: Diploma In Electrical Engineering Work Experience: 10 Years Position In Bom: Secretaty Profession: Teacher Academic: Diploma</p>
 <p>Name: DOMINIC MUTIGA</p>	<p>DATE OF BIRTH:20/07/1995 QUALIFICATION: DEGREE IN ADMINISTRATION(FINANCE) WORK EXPERIENCE: 5 YEARS POSITION IN BOM: YOUTH REPRESENTATIVE Profession: FINANCE OFFICER Academic: DEGREE</p>

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DATE OF BIRTH: 02/07/1984
QUALIFICATION: DIPLOMA IN VETERINARY
WORK EXPERIENCE: 10 YEARS
POSITION IN THE BOM: MEMBER
PROFFESION: VETERINARY
ACADEMIC: DIPLOMA IN VETEIRNARY MEDICINE




NAME: ROSE NKATHA



Date of Birth: 15/08/1991
Profession: TEACHER
Academic: DIPLOMA IN ECDE
Experience: 5 years
Position: Youth Representative



Name: EVANGELINE KANANA

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 <p>Name: KARANI EDWARD NGEERA</p>	<p>Date of Birth:03/02/1983 Profession: TEACHER Academic: DEGREE IN EDUCATION Experience:18 years Position: Juakali representatives</p>
 <p>Name: MARTHA M'MACHOKI</p>	<p>Date of Birth :03/05/1972 Profession: TEACHER Academic: MASTERS IN SPECIAL EDUCATION Experience: 28 years Position: PWD Representative</p>
 <p>Name: ERIC MUGO</p>	<p>Date of Birth:03/02/1999 Profession: SURVEYOR Academic: CRAFT IN LAND AND SURVEYOR Experience:4 years Position: Juakali representatives</p>

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4.Key Management Team

<i>S N</i>	<i>Member/ Director</i>	<i>Details</i>
1.		<p>Name: KOBIA ANDERSON Date of Birth: 14/07/1989 Profession: INSTRUCTOR III Academic: DIPLOMA IN ELECTRICAL ENGINEERING Experience: 5 years Position: Principal</p>
2.	 <p>Name: PRISCILAH GITAU</p>	<p>Date of Birth: 14/07/1987 Profession: INSTRUCTOR III Academic: DIPLOMA IN Fashion design Experience: 3 years Position: Deputy Principal</p>

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5. Chairman's Report

I am pleased to present the annual report and financial statement of Amugaa Vocational Training Centre for the year ended June 30th, 2025.

The demand for the TVET programs in the country has continued to rise, prompting the institution to continually introduce courses that respond to the demand of the market. The objective of the board is to position Amugaa Vocational Training Centre within the market requirements and customer satisfaction.

During the financial year 2024-2025, key achievements were realized. These are

- Substantial physical infrastructure
- Introduced new courses
- Strengthen collaboration with local industries where the institution can attach the trainees
- Participated in skills competitions and county ball games competitions

During this 2024-2025 financial year, financial commitment was geared towards equipping the workshop to meet TVETA standards.

Most of the goals set out within the year have been achieved

- Competitive recruitment of staff both trainers and other support staff.
- Development of the infrastructure.
- *Purchase of equipment and machine*

The institution received bursary and government capitation for trainees. This funding has enabled the institution acquire equipment to ensure that the trainees are equipped with relevant skills therefore increasing their marketability.

The institution has witnessed significant growth of the assets, that as promoted a good training environment for both trainers and trainees. I wish to thank the members of the board who have provided useful insight to the institution management, making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and work closely with all the stakeholders in order to realize further development. The board is pleased

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with the efforts of the Amugaa Vocational Training Centre to ensure prudent management of resources and the level of compliance with the government regulations and statutory requirements. I thank the government for its financial support so far that has made it possible to implement the Amugaa Vocational Training Centre functions and programs.

I finally, wish to that all stakeholders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.



MERCY MWAKACIU
CHAIRPERSON OF THE BOARD OF MANAGEMENT

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6. Report of the Principal

Presented here is the annual report and financial statement of Amugaa Vocational Training CENTRE for the year ended June 30th June 2025, as per the requirements of the public finance Management Act of 2012 and Public Audit Act, 2015.

NON-FINANCIAL INFORMATION

a) Academic programme

During the financial year under review, the institution had 12 courses namely,

- ICT
- Welding
- Cosmetology
- Fashion design
- Motor vehicle technology
- Electrical wireman
- Plumbing
- Masonry

b) Student Population

The institution's intake is in January every year; allocation is by walk-in placements and outsourcing them from high population catchment areas. By the end of the 2024/2025 financial year, the institution had a population of 109 trainees.

We are expecting the number to rise to over 250 trainees by next year. This will be achieved through:

- Improved internal training
- Collaborations with the jua-kali sector
- Purchase of more modern machines and equipment
- Aggressive marketing of the institution's programmes

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c) PROVISION OF FACILITIES

The management of the institution continues to face lift the institution by renovating and expanding the existing facilities to attract and accommodate more trainees.

- Participated in county ball games
- Exhibited in Meru National Show
- Construction of workshop and pit latrines

Challenges that hindered 100% achievement of the targets during the year

- Poor payment of school fees
- High electricity bills
- *Low enrolment due to CBE programme and 100% transition*
- Inadequate infrastructures
- Inadequate trainees



Mr. Kobia Anderson
Principal



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7.Statement of Performance against Predetermined Objectives

Amugaa Vocational Training Centre has one strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023- FY 2030.

Amugaa Vocational develops its annual work plans based on the above 2 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Amugaa vocational training centre achieved its performance targets set for the FY 2023/30 period for its two strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar/theme/issue 1	To provide adequate physical infrastructures	<ul style="list-style-type: none"> • Completed water tank installation • A functional sanitation for girls • A functional dining hall • A Shade 	<ul style="list-style-type: none"> • Construction of the water tank • Building a ladies washrooms • Expand the dining hall 	Girls sanitation in construction

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			<ul style="list-style-type: none"> • Construction of motor vehicle shade 	Masonry shade under construction
Pillar/theme / issue 2	To mobilize resources for institutional development and improvement	Writing properties	Lobby the government and non- government organization or funding	Received trainee sponsored by NGO's

8. Corporate Governance Statement

The mandate of TVET in Kenya is set out in the TVET Act, 2013 that govern the appointment of board members in Kenya. Amugaa Vocational Training Centre operates under this Act and is governed by a Board of Management (BOM) elected as per the Act, which is responsible for providing leadership in the development of policies, plans, and strategies that ensure the institution fulfills its mission to provide quality vocational and technical training. The BOM also ensures sustainable execution of the Centre's mandate, contributing to the socio-economic advancement of the community and the nation at large. The BOG is chaired by a duly appointed Chairperson and supported by the Principal, who serves as the Secretary to the Board.

The composition of the BOG for Amugaa Vocational Training Centre is as follows

- A. chairperson
- B. Community representative
- C. Youth representative
- D. Representative for people with special needs
- E. Industry/ commerce representative

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F. Co-opted members

In line with the Act, at least two-thirds of the BOM members are from the gender that is not overrepresented. The BOM meets quarterly and may hold special meetings when necessary.

The Board operates through well-defined committees with specific Terms of Reference, including:

1. Finance and Operations Committee
2. Audit and Risk Committee
3. Academic and Training Committee
4. Governance and Human Resource Committee

Each committee comprises members with relevant expertise to provide specialized oversight in its area of responsibility. Board members undergo induction upon appointment, with continuous training provided to enhance governance skills. Board performance is evaluated periodically, and attendance at meetings is documented to ensure accountability.

The BOG has a clear succession plan in place for key leadership positions, and all members adhere to a conflict-of-interest policy requiring disclosure before deliberations. Board remuneration is set according to public service guidelines. Ethical standards and a formal Code of Conduct govern Board operations, supported by regular governance audits.

The institution's communication policy ensures timely and transparent engagement with stakeholders, while policies on related party transactions safeguard the institution's integrity. At the operational level, the Principal and Deputy Principals oversee the daily implementation of the institution's Strategic Plan, ensuring that strategic pillars, measurable objectives, and performance contracts are met. Progress is monitored through documented quality objectives, reviewed regularly by both management and the BOM.

9. Management Discussion and Analysis

The Board of Management (BOM) of Amugaa Technical Training Institute has remained highly supportive to management, fulfilling its oversight role both directly and through various specialized BOM committees. The management team is led by the Chairperson, supported by the principal in charge of organization overall organizational oversight, the deputy principal, trainees, Head of Guidance and Counselling, student council, and a competent team of non-academic professionals, including the organization non staff members.

Throughout the year, the Institute maintained smooth operations, with teaching and training activities running uninterrupted for all four quarters. The management placed emphasis on efficiency, accountability, and compliance with all legal and regulatory frameworks, including the TVET Act 2013, Education Act 2024, Public Finance Management Act 2024, and their respective regulations.

Operational and Financial Performance

During the financial year, the Institute recorded steady operational progress with decreased enrolment it only maintained student retention rates. A total of 80 **trainees** were enrolled in the institution technical to take various programs, marking a 20% decrease from the previous year.

Financially, revenue streams were strengthened through prudent management of capitation funds, internally generated income, and development partner support. Expenditure was managed in line with approved budgets, resulting in the successful completion of key capital projects and improvement in service delivery

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Compliance with Statutory Requirements

Annual reports were submitted to relevant oversight bodies within stipulated deadlines, and procurement processes adhered to the Public Procurement and Asset Disposal Act.

Major Risks and Mitigation Measures

Key risks faced by the Institute included:

- **Institutional Risk:**
Unclear policies and weak internal control structures posed risks to effective governance and decision-making. This was mitigated through strengthening institutional frameworks, enhancing accountability mechanisms, and ensuring adherence to established policies and procedures.
- **Market Competition:** Addressed through program diversification and targeted marketing to attract more trainees.
- **Technological Changes:** Managed through regular staff training and upgrading of ICT facilities.

Other Relevant Information

The Institute actively engaged in community outreach programs, including visiting the orphanage schools, offering short courses to local youth, participating in environmental conservation drives, and supporting local schools with technical assistance.

10.Environmental And Sustainability Reporting Statement

i. Sustainability strategy and profile

Amugaa Vocational Training Centre exists to transform lives through skills development, empowerment, and community engagement. This is our purpose, the driving force behind everything we do. It guides our strategy, which is anchored on sustainability, inclusion, and excellence in vocational training. Below is a summary of our sustainability achievements for the year.

Amugaa Vocational Training Centre is a learning institution under the County Department for Education, established under the TVET Act, 2013, and domiciled in Kenya. In our mission to produce competent and employable graduates, the institution continues to align operations with the Ministry of Education guidelines, TVET regulations, and national development priorities.

The institution recognizes the community as a key partner in its growth and sustainability. We have actively engaged the community through awareness campaigns on TVET programs, and the facilitation of bursaries through the Constituency Development Fund (CDF). We have also maintained close collaboration with stakeholders and community leaders to support our programs, attend community meetings, and sustain financial assistance for needy students.

Amugaa Vocational Training Centre maintains strong linkages with industry partners to facilitate industrial attachments, internships, and job placements for trainees like KTDA. This engagement ensures that training remains relevant to labor market demands and that industry expectation are met through continuous feedback.

We are committed to benchmarking with other training institutions both locally and nationally. Partnerships with peer institutions and participation in workshops, seminars, and training sessions have been vital in enhancing staff capacity and fostering progressive growth.

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Our sustainability agenda is aligned with the United Nations Sustainable Development Goals (SDGs), particularly Goal 4 (Quality Education), Goal 8 (Decent Work and Economic Growth), and Goal 13 (Climate Action). The institution has initiated environmental awareness activities, energy conservation practices, and waste management sensitization within the institution.

Environmental Performance

During the reporting period, Amugaa Vocational Training Centre implemented measures to improve environmental sustainability, including:

- Energy efficiency initiatives such as installation of energy-saving bulbs and promoting electricity conservation practices among staff and students.
- Masonry students can embrace environmental measures by using eco-friendly and locally sourced building materials, minimizing water wastage during construction, recycling construction waste such as broken blocks or concrete, and controlling dust to reduce air pollution. They can also restore construction sites by planting vegetation and ensuring that the surrounding environment is not degraded during and after the building process.
- Waste reduction programs through segregation, recycling, and responsible disposal of non-biodegradable waste.
- Fashion design students can contribute to environmental conservation by choosing sustainable and organic fabrics, reusing and upcycling clothing items, and minimizing fabric waste through careful pattern cutting. They should also opt for eco-friendly dyes and promote slow fashion practices that encourage longer-lasting, high-quality clothing rather than fast, disposable trends, thereby reducing textile waste

We remain committed to continuous improvement in environmental management and to integrating sustainability into all aspects of institutional operations.

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Amugaa Vocational Training Centre is committed to minimizing its environmental footprint and advancing sustainable practices in all its operations. We continually seek ways to improve our environmental performance and introduce initiatives that will further reduce our impact on the environment. Our commitment includes:

- (a) Complying with all relevant environmental regulations and standards,
- (b) Preventing pollution whenever possible through responsible practices,
- (c) Training all staff on our environmental programs and empowering them to actively contribute and participate,
- (d) Communicating our environmental commitments and achievements to staff, students, partners, and the wider community.

ii. Challenges and the possible solution

In an institutional setting, all students face environmental challenges that affect sustainability efforts. Common issues include the **high cost and limited availability of eco-friendly materials**, whether in construction, metalwork, or fabric sourcing. There is also **high-energy consumption** in workshops, particularly in welding, and **exposure to harmful fumes** due to inadequate ventilation. Single-use plastics remain pressing concerns. A lack of environmental awareness and proper waste management systems compounds these issues across departments.

To address these challenges, the institution can implement **practical, collaborative solutions**. Training programs should integrate **environmental sustainability modules** for all courses, promoting awareness of green practices. The school can partner with **local suppliers** to provide affordable and eco-friendly materials, whether for building, welding, or garment making. Workshops can be upgraded with **energy-efficient equipment** and proper fume extraction systems, while fashion students can be encouraged to use **natural dyes and**

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recycled fabrics. The food and beverage department can adopt **portion control, local sourcing, and biodegradable packaging** to reduce waste. Additionally, the institution can establish a **centralized waste segregation and recycling system** to ensure that metal scraps, fabric remnants, and waste are properly managed. By fostering cross-department collaboration, the institution can create a culture of sustainability that benefits both students and the wider community.

iii. Employee welfare

The institution upholds fair and transparent hiring policies that ensure equal opportunity for all applicants and with deliberate efforts to promote gender balance. Stakeholder engagement is an *integral part of the policy review process, with periodic updates conducted to align with emerging needs and best practices.*

Staff development is prioritized through continuous training programs, structured career growth opportunities, performance appraisals, and reward systems aimed at motivating and retaining talent.

The institution is fully compliant with the Occupational Safety and Health Act (OSHA, 2007).

Workplace safety measures, regular inspections, and awareness programs are in place to minimize the risk of injuries. Any incidents are thoroughly reviewed, and corrective measures are implemented to prevent recurrence.

iv. Marketplace practices

a) Responsible Competition Practice

Our institution promotes fair competition through open tendering, respect for competitors, and strict anti-corruption measures. We use service charters, cashless payments, and public sensitization to improve service delivery.

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b) Responsible Supply Chain & Supplier Relations

We honor contracts, make timely payments, and use competitive procurement to ensure fairness and strong relationships with suppliers.

c) Responsible Marketing & Public Engagement

We provide accurate and clear information, avoid false or misleading claims, and respect diversity. Engagement is done through regular auditing in the staff meetings that are held after two months

d) Product Stewardship & Awareness Creation

We protect the health, safety, and rights of our staff and clients. We provide adequate service information, safeguard privacy, and ensure access to dispute resolution.

v. Corporate Social Responsibility / Community Engagements

During the reporting period, our CSR activities focused on initiatives directly aligned with our core mandate. These included community partnerships that enhanced service delivery, capacity building, and public awareness. We engaged stakeholders through forums, training, and outreach programs that promoted sustainability and improved livelihoods. All CSR efforts were designed to create mutual benefits for the institution and the community, ensuring measurable social impact.

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11. Report of the Board of Management

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Amugaa Vocational Training Centre's affairs.

Principal activities

- A. The principal activities of the entity during the year under review were:
- (a) Delivering tertiary-level education in technical and vocational training fields.
 - (b) Developing curricula appropriate for various manpower categories through careful selection of syllabi recognized by the Ministry of Education (MoE) and aligned to labour market requirements.
 - (c) Strengthening linkages with industry and other institutions to promote quality training and practical skill development.
 - (d) Promoting entrepreneurial skills and culture among staff and students.
 - (e) Conducting applied research to address local development needs.
 - (f) Undertaking income-generating activities through production, consultancy, tailored short courses, in-service programs, and provision of hospitality services to support government programs and generate revenue.
 - (g) Fostering spiritual growth, teamwork, and community engagement among staff and students.

Results

The financial results for the year ended 30th June 2025 are presented on pages 1–37 of this report.

Board of Management

The members of the Board who served during the year are shown on page vii-xi. During the year 11 director retired and to fill the gap 11 members were appointed with effect from June 2025.

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Auditors

The Auditor General is responsible for the statutory audit of the Amugaa vocational training Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Secretary of the Board

Date:

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12.Statement of Board of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Technical and Vocational Education and Training (TVET) Act, 2013 require the Board of Management to prepare financial statements in respect of that Amugaa Vocational Training centre, which give a true and fair view of the state of affairs of the *Amugaa* vocational Training Centre at the end of the financial year/period and the operating results of the Amugaa Vocational Training centre for that year/period. The Board of Management is also required to ensure that the Amugaa Vocational Training centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. Amugaa Vocational Training Centre. The Board of Management is also responsible for safeguarding the assets of the Amugaa Vocational Training Centre.

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

The Board of Management accepts responsibility for the Amugaa Vocational Training Centre'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 state corporate Act and TVET Act. The Board of Management are of the opinion that the Amugaa 's


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financial statements give a true and fair view of the state of Amugaa's transactions during the financial year ended June 30, 2025, and of the Amugaa Vocational Training Centre's financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the Amugaa Vocational Training Centre, which have been relied upon in the preparation of the Amugaa's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal/Manager has assessed the Amugaa Vocational Training Centre's ability to continue as a going concern. There are no material uncertainties that may cast significant doubt on the institution's ability to continue as a going concern. Nothing has come to the attention of the Board of Management to indicate that the Amugaa VTC 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 Amugaa Vocational training centre financial statements were approved by the Board on 03/12/2025 2025 and signed on its behalf by:


.....
MERCY MWAKACIU

Name

Chairperson of the Board


.....
Kobis Anderson
Principal/Manager



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON AMUGAA VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025.

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Amugaa Vocational Training Centre set out on pages 1 to 28, which comprise of the statement of financial position as

at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Accuracy of the Financial Statement

The statement of comparison of budget and actual amounts reflects actual amounts of Kshs.324,035, Kshs.105,550, and Kshs.431,930 in respect to teaching and learning materials, travel and utility respectively. However, the statement of financial performance reflects nil balances in respect to expenditure on teaching and learning, travel and utility.

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

2. Unsupported Accounts Receivables

The statement of financial position and as disclosed in Note 10 to the financial statements reflects a balance of Kshs.1,259,555 in respect to accounts receivables from exchange transactions - student debtors. However, a list of student debtors indicating the date and amount of fee arrears, issued invoices and a debtor's aging analysis were not provided for audit review. Further, there was no provision for bad and doubtful debts.

In the circumstances, the existence and recoverability of the accounts receivable of Kshs.1,259,555 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,158,324 as disclosed in Note 9 to the financial statements. Included in this balance is Kenya Commercial Bank (KCB) Grant account, Dhabiti Sacco Society Fee account and KCB Exam account with closing balances of Kshs.1,129,218, Kshs.508 and Kshs.28,598, respectively. However, bank reconciliation statements for the three (3) accounts and the certificate of bank balance of the KCB Exam account were not availed for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs1,158,324 could not be confirmed.

4. Unsupported Payments

The statement of financial performance reflects total expenses amounting to Kshs. 814,860 in respect to use of goods and services, employee costs, board expenses and repairs and maintenance. However, the expenditures were not supported by respective expenditure ledgers.

In the circumstances, the accuracy and completeness of total expenses amount of Kshs.814,860 could not be confirmed.

5. Unsupported Fees from Students Revenue

The statement of financial performance reflects revenue from students' fees amounting to Kshs. 357,712 as disclosed in Note 2 to the financial statements. However, revenue ledgers and invoices were not provided for audit verification.

In the circumstances, the accuracy and completeness of the recorded student fees revenue totalling Kshs.357,712 could not be confirmed

6. Property, Plant and Equipment

The statement of financial position and as disclosed in Note 12 reflects net book value of Kshs.877,627 in respect to property, plant and equipment which includes furniture and fittings Kshs.230,322, computers Kshs.349,653 and plant and equipment Kshs.255,384. However, audit verification revealed that Management did not include land as part of the property, plant and equipment.

In the circumstances, the accuracy and completeness of property, plant and equipment net book value of Kshs.877,627 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs. 4,317,541 and Kshs. 3,057,986 respectively resulting in an underfunding of Kshs.1,259,555 or 29% of the budget. Similarly, the Centre spent Kshs.2,565,325 against actual receipts amount of

Kshs. 3,057,986 resulting in an under absorption of Kshs.492,661 or 16% of the actual receipts.

In the circumstances, the under-funding and under - utilization 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.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non – Compliance with the Public Procurement Capacity Building Levy Order, 2023

The Centre Management has not provided documentary evidence to confirm that the Centre complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

2. Failure to Budget for Climate Change and Financing

Review of the Centre annual budget and financial plans revealed that no provisions for climate change mitigation, adaptation programs, or climate financing initiatives were made. In addition, there was no evidence of planned allocation of funds for projects or activities that address climate risks, such as water source protection, energy-efficient operations, or climate resilience measures, despite the Company's operations being highly dependent on environmental sustainability. This contrary to The National Climate Change Act, 2016, which obligates public entities to mainstream climate change measures into their operational and development plans and to allocate adequate resources to address climate resilience and adaptation.

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

3. Accuracy and Presentation of Financial Statements

Audit review of the Financial Statements presented for audit revealed the following anomalies; Examination of the financial Statements reveals the following anomalies.

- i. The heading 'Entity Bankers' was omitted on page v.
- ii. The County Attorney details were omitted on page v under Key Entity Information and Management.
- iii. The numbering of the notes to the financial statements are not in compliance with prescribed format as outlined in the reporting template by the Public Sector Accounting Standard Board.
- iv. The heading 'statement of financial position as at 30 June, 2025' has been repeated twice on page 2 and 3.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Internal Audit Function and Audit Committee

During the year under review, Amugaa Vocational and Training Centre had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a County Government entity to assess effectiveness of the Polytechnic through an internal performance appraisal commenting on its effectiveness in the annual report to The County Treasury.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of a procurement plan

During the year Management failed to prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstance, the validity of the procurements could not be confirmed.

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

Responsibilities of the Management and the Board of Management

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

AMUGAA Vocational Training Centre

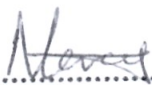
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	2024/2025 Kshs
Revenue from non-exchange transactions		
Transfers from the County Government-Capitation	1	1,155,000.00
		1,155,000.00
Revenue from Exchange transactions		
Fees from students	2a	1,617,267
Revenue from Exchange transactions		2,673,588
Total Revenue		3,828,588
Expenses		
Use of goods and services	4	1,044,998
Employee costs	5	283,000.00
Board Expenses	6	78,500.00
Depreciation and amortization expense	7	98,623
Repairs and maintenance	8	366,060.00
Increase in inventory	11	(1,056,321.00)
Total Expenses		814,8560
Net surplus/(deficit) for the year		1,957,408

(The notes set out on pages 8 to 32 form an integral part of the Annual Financial Statements)

The Financial Statements set out on pages 1 to 32 were signed by:


.....

Name **MERCY MWAKACIU**
Chairman of Board

Date 03/12/2025


.....

Name **Douglas Kibet**
Accountant
ICPAK No 60401

Date 03/12/2025


.....

Name **Kibin Anderson**
Principal/Manager

Date 03/12/2025

AMUGAA Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2025


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

Description	Notes	2024/2025
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	9	1,158,324
Current portion of receivables from exchange transactions	10	1,259,555.00
Inventories	11	1,056,321.00
Total Current Assets		3,474,200
Non-Current Assets		
Property, plant, and equipment	12	877,626
Total Non-Current Assets		877,626
Total Assets (A)		4,351,827
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	13	849,145.00
Total Current Liabilities		849,145.00
Non-Current Liabilities		
Total non-current liabilities		-
Total Liabilities (B)		849,145.00
Net Assets (A-B)		3,502,682
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		3,502,682
Capital Fund		
Total Net Assets		3,502,682


AMUGAA Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2025

Statement of Financial Position As At 30th June 2025

The Financial Statements set out on pages 1 to 32 were signed by;


.....
Name *MERCY MWAKACILI*
Chairman of Board

Date *03/12/2025*


.....
Name *Douglas Kibici*
Accountant
ICPAK No *10401*

Date *03/12/25*



.....
Name *Kobir Anderson*
Principal/Manager

Date *03/12/2025*

AMUGAA Vocational Training Centre

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

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2024	-	1,545,274	-	1,545,274
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,957,408	-	1,957,408
Capital grants received during the year	-	-	-	-
At June 30, 2025	-	3,502,682	-	3,502,682

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

Description	Note	2024/2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government	1	1,155,000.00
Fees from students	2	357,712
Increase in Payables	13	849,145.00
Total Receipts		2,361,857
Payments		
Use of goods and services	4	1,044,997
Employee costs	5	283,000.00
Board Expenses	6	78,500.00
Repairs and maintenance	8	366,060.00
Total Payments		(1,772,557)
Net Cash Flows from operating activities		589,299
		589,299

AMUGAA Vocational Training Centre
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Cash flows from investing activities		
Purchase of property, plant, and equipment		(976,250.00)
Purchase of intangible assets		
Proceeds from the sale of property, plant, and equipment		
Net cash flows used in investing activities		(976,250.00)
Cash flows from financing activities		
Proceeds From Borrowing		-
Repayment of Borrowings		-
Net cash flows used in financing activities		(386,950.)
Net Increase/(Decrease) in Cash and Cash equivalents		(386,950)
Cash & Cash equivalents at the beginning (1 st July)	9	1,545,274
Cash & Cash equivalents at the end. (30 th June)	9	1,158,324

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

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	1,545,274	-	1,545,274	1,545,274	-	1.00
Receipts						
Transfers from County Government	1,155,000.00	-	1,155,000.00	1,155,000.00	-	100.00%
Fees from students	1,617,267.45	-	1,617,267.45	357,712.45	1,259,555.00	22.12%
Total Receipts	4,317,541	-	4,317,541	3,057,986	1,259,555.00	
Payments						
Teaching and Learning Materials	1,650,000.00	-	1,650,000.00	324,035.00	1,325,965.00	19.64%
Capital Expenditure	990,000.00	-	990,000.00	976,250.00	13,750.00	98.61%
Employee costs	350,000.00	-	350,000.00	283,000.00	67,000.00	80.86%
Travel	118,000.00	-	118,000.00	105,550.00	12,450.00	89.45%
Utility	697,000.00	-	697,000.00	431,930.00	265,070.00	61.97%
Board Expenses	90,000.00	-	90,000.00	78,500.00	11,500.00	87.22%
Repairs and maintenance	422,541.	-	422,541	366,060.00	56,481	86.63%
Total Expenditure	4,317,541	-	4,317,541	2,565,325.00	1,752,216	59.42%
Capital Expenditure payments		-				

 **UGAA Vocational Training Centre**
Annual Report and Financial Statements for the year ended 30th June 2025

Surplus	-	-	-	492,661	(492,661)
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19. Notes to the Financial Statements

1. General Information

Amugaa Vocational Training Centre is established by and derives its authority and accountability from the TVET Act, 2013. The entity is wholly owned by the County Government of MERU and domiciled in Tigania Central sub-county. The entity's principal activity is to equip student with artisan skills.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying Amugaa's VTC 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 Amugaa Vocational Training Centre. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**AMUGAA Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2025**

3. Adoption of New and Revised Standards

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

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

There are no new standards and interpretations issued in the Financial Year.

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

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

AMUGAA Vocational Training Centre

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

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

iii. Early adoption of standards

The Entity did not early adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 21ST May 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2024/2025 budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented.

c) Taxes

Current income tax

The entity is not exempted from paying taxes.

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 -year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Computers 33.3%

Furniture 8%

Motor vehicles 25%

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

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Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. *Non-monetary items measured in historical cost are translated using the exchange rate at the date of the*

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transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

1. Transfers from the County Government

Description	F/Y 2024-2025
	Kshs
Unconditional Grants	
Capitation Grants	1,155,000.00
Total unconditional Grants	1,155,000.00

2.

a) Fees expected from students

Description	F/Y 2024-2025
	Kshs
Tuition Fees paid	357,712
Account receivables	1,259,555
Total Fees expected from students	1,617,267.45

b) Fees paid by students

Description	F/Y 2024-2025
	Kshs
Tuition Fees	357,712
Examination Fees	
Total Fees from students	357,712

4. Use of Goods and Services

Description	F/Y 2024-2025
	Kshs
Teaching and learning materials	324,035.00
Utility	431,930.00
Examination fees	55,550.00
Catering, conferences, and delegations	-
Travelling and accommodation	105,550.00
Co-curriculum	119,900.00
Bank charges	8,032
Transfer to inter account	
Total good and services	1,044,997

5. Employee Costs

Description	F/Y 2024-2025
	Kshs
Salaries and wages	283,000.00
Employee related costs - contributions to pensions and medical aids	-
Social contributions	-
Employee Costs	283,000.00

6. Board Expenses

Description	F/Y 2024-2025
	Kshs
Other Allowances	78,500.00
Total	78,500.00

7. Depreciation and Amortization expense

Description	F/Y 2024-2025
	Kshs
Property, plant and equipment	98,623
Total depreciation & amortization Expense	98,623

8. Repairs and Maintenance

Description	F/Y 2024-2025
	Kshs
Equipment and machinery	366,060.00
Total Repairs and Maintenance	366,060.00

9. Cash and Cash Equivalents

Description	F/Y 2024-2025
	Kshs
Current Account	1,158,324
Total Cash and Cash Equivalents	1,158,324

9(a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	F/Y 2024-2025	F/Y
		Kshs	2023-2024
a) Current Account			
Amugaa Vocational Training Centre - Grant - KCB	1284907759	1,129,217.75	1,449,427.75
Amugaa Vocational Training Centre - Fee - Dhabiti Sacco Society	069319	508.36	11,698.41
Amugaa Vocational Training Centre - Exam- KCB	1284907775	28,598.25	84,148.25
Sub- Total		1,158,324	1,545,274
Grand Total		1,158,324	1,545,274

10. Receivables from Exchange transactions

10(a) Current Receivables from Exchange transactions

Description	F/Y 2024-2025
	Kshs
Current Receivables	
Student Debtors	1,259,555.00
Total Current Receivables	1,259,555.00

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11. Inventories

Description	2024-2025
	Kshs
Teaching and Learning materials	386,471
ICT Department	419,500
Furniture	250,350
Less: Impairment allowance	0
Total Inventories at lower of Cost and Net Realizable Value	1,056,321

12. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	8%	33.30%	10%	
At 1 July 2024			-	-
Additions	250,350.00	419,500.00	306,400.00	976,250.00
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
Revaluation	-	-	-	-
At 30th June 2025	250,350.00	419,500.00	306,400.00	976,250.00
Depreciation And Impairment				-
At 1 July 2024				
Depreciation	20,028.00	69,846.75	51,015.60	98,623
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
At 30th June 2025	20,028.00	69,846	51,015	98,623
Net Book Values				
At 30th June 2025	230,322.00	349,65	255,384	877,626

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13. Trade and Other Payables from Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Other Payables		-		0
Total Trade and Other Payables		-		0
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	849,145.00	100%	0	0
Total (to tie to totals above)	849,145.00	100%	0	0

14. Cash generated from operations.

	2024-2025
	Kshs
Surplus/(Deficit) for the year	1,957,40
Adjusted for:	
Depreciation	98,623
Working Capital Adjustments	
Increase in Inventory	(1,056,321.00)
Increase in Receivables	(1,259,555.00)
Increase in payables	849,145.00
Net Cash Flow from Operating Activities	589,299

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
This is the first year of reporting, thus there exists no Audit recommendation for prior year				

Guidance Notes:

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

**Name
Principal/Manager
AMUGAA Vocational Training Centre
Date ;**

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Appendix II: Projects Implemented by (Amugaa Vocational Training Centre)

Projects

Projects implemented by the Amugaa VTC Funded by development partners.

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

Status of Project Completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

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Appendix III- Inter-Entity Confirmation Letter


Name of transferring entity: Meru County Government

Name of beneficiary entity: Amugaa Vocational Training Centre


Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
EDU/VTC/021/2024-2025	27 th March, 2025	720000		435000	
EDU/VTC/021/2023-2025	24 th April, 2025	435000		720000	
Total		1155000		1155000	

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

Head of Accounts Department - Disbursing Entity:

Name Douglas Icebis Sign  Date 03/12/25

Head of Accounts Department - Beneficiary Entity:

Name Kobig Andean Sign  Date 03/12/25

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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