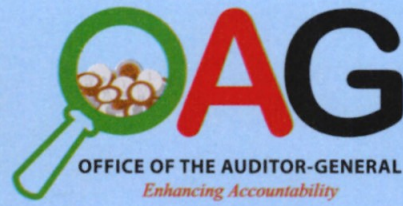


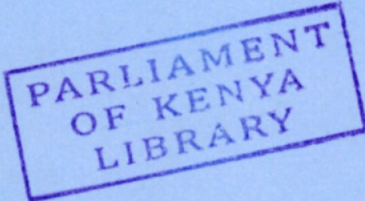
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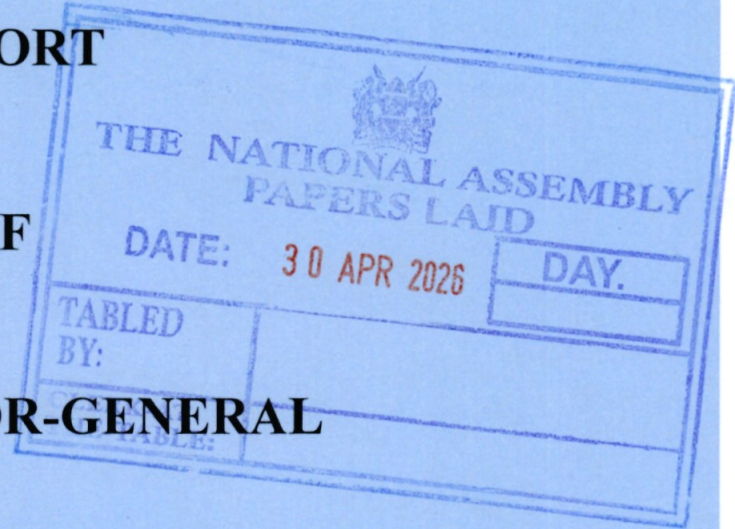
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF



THE AUDITOR-GENERAL

ON

**ELWAK TECHNICAL AND VOCATIONAL
COLLEGE**

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

MANDERA COUNTY

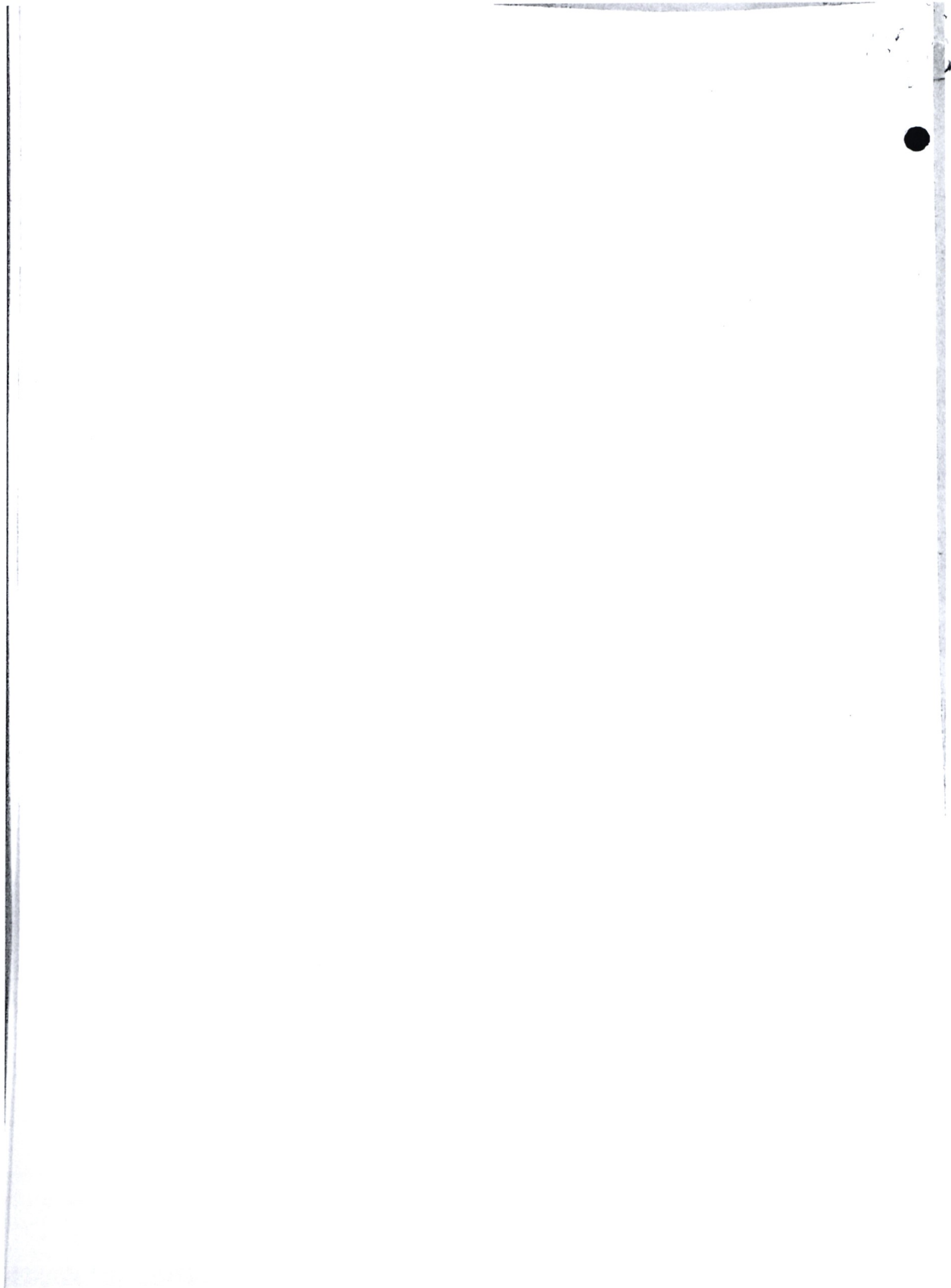


ELWAK TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Elwak Technical and Vocational College was established under the TVET Act 2013 on 15 April 2021. The institute is located 8km South out of Elwak Town along Mandera- Isiolo Highway. It was established in 2021 as a Technical Training Institute to provide technical training for the middle level man power for both the private and public sectors of the economy. The trainees in the institute are drawn from fresh secondary school leavers, graduates from other tertiary institutions, employees on part-time release basis and the informal (Jua Kali) sector. The Institution operates under the Education Act and offers curriculum developed by the Kenya Institute of curriculum development (KICD), the National Industrial Training Authority (NITA), Kenya Accountants and Secretaries National Examination Board (KASNEB) and Competency-based education and training (CBET). The institution offers courses at Artisan, Craft and Diploma levels in electrical and business department. The courses are taught either part-time, fulltime or open distance learning.

(b) Principal Activities

The principal activity of Elwak Technical and Vocational College is to produce graduates with competent skills that meet the dynamic demand of the industry.

(c) Key Management

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

- The Board of Governors
- The Principal
- The fiduciary Management which comprises: The Principal, The Deputy Principals and The Registrar

(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	Abdullahi M. Daud
3	Deputy principal Academics	Ag. Abass Ibrahim Adan
4	Registrar (s)	Abdirashid Ali Osman

Key Entity Information and Management (Continued)

(c) Fiduciary Oversight Arrangements

The institution has put in place robust fiduciary oversight mechanisms to ensure transparency, accountability, and prudent use of resources in line with good governance practices. The key oversight arrangements include:

1. Audit and Risk Committee Activities

The Audit and Risk Committee is responsible for monitoring internal controls, risk management, and compliance with statutory requirements. The committee reviews internal and external audit reports, ensures follow-up on audit recommendations, and evaluates risk mitigation strategies to safeguard institutional assets.

2. Finance and Operations Committee Activities

This committee provides oversight on budgeting, financial planning, resource mobilization, and operational efficiency. It reviews financial performance reports, monitors expenditure against approved budgets, and ensures that procurement and other financial transactions are carried out in compliance with relevant laws and policies.

3. Academic Committee Activities

The Academic Committee oversees curriculum development, quality assurance, and academic performance. It ensures that teaching and learning standards are maintained, monitors student performance, and provides guidance on research, innovation, and academic program accreditation in line with TVET Act requirements.

(f) Elwak TVC Headquarters

P.O. Box 34-70301
Mandera -Kenya
B9 Mandera-Isiolo Highway

(g) Elwak Contacts

Telephone: +254 741 185 110
E-mail: clwaktvc@gmail.com

(h) Elwak Bankers

Kenya Commercial Bank
Mandera
P.O. Box 275 - 70300
Mandera, Kenya




(i) **Independent Auditors**

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




(j) **Principal Legal Adviser**

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




3.The Board of Governors

SN.	Member/ Director	Details
1.	 Mr. Osman Ibrahim Issack Chairman	D.O.B: 1993 Education Bachelor of Science in Computer Science Experience ICT manager MANDWASCO, Mandera ICT manager ELWASCO, Elwak
2.	 Mohamed Adan Yarrow Member	D.O.B: 20/02/1961 Education BED – Special Education Diploma in Special Education Diploma in Special Education Kenya Advance Certificate of Education Experience Head teacher Education Assessment Resource Centre Coordinator Education Officer TSC Sub County Director
3.	 Mrs. Kaltuma Abdi Hasssan Member	D.O.B: 1974 Education Bachelor of Education - Arts Experience Executive Director of Outreach Community Education and Participatory Development Education - Elwak Deputy Sub County director of Education Mandera Central




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

<p>4.</p>	 <p>Mr. Sabir Hussein Yussuf Member</p>	<p>D.O.B: 13/12/1992</p> <p>Education Accounting Technician Diploma Certified Public Accountant II Certified Public Accountant –CPA-K Bachelor of Commerce</p> <p>Experience Audit Assistant Audit Assistant Audit Associate Senior Auditor</p>
<p>5.</p>	 <p>Mr. Abdiaziz Abdullahi Maalim Member</p>	<p>D.O.B: 03/07/1995</p> <p>Education Bachelor of Science in Computer Science MSc in Project Management</p> <p>Experience Digital Curriculum Trainer- eMobilis Mobile Technology Institute Chief Information Communication Technology Officer, ELWAK Municipality, Elwak</p>
<p>6.</p>	 <p>Mr. Abdiwahab Ali Alio Member</p>	<p>D.O.B: 17/02/1990</p> <p>Education Diploma in Water Engineering Bachelor of Science in Energy and Environmental Engineering</p> <p>Experience Supervisor – Garissa Sewerage Project Inspector of Works – GIBB Arica Limited Sub County Water Officer – Mandera South</p>

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

7.	 Mr. Hassan Noor Sheikh Member	<p>D.O.B:</p> <p>Education: Higher National Diploma in Mechanical Engineering</p> <p>Experience: 43 years</p> <p>Work: Retired Trainer</p>
8.	 Mr. Yussuf Mohamed Kassim Regional Director	<p>D.O.B: 01/01/1969</p> <p>Education: Master of Business Administration Bachelor Education</p> <p>Experience: Regional Director TVET -Wajir and Mandera County Former High School Principal</p>
9.	 Mr. Abdullahi Mohamed Duad Secretary	<p>D.O.B : 10/05/1975</p> <p>Education: Degree in Electrical Engineering and Honours in Technology Management</p> <p>Experience: Principal ElwakTVC</p>

4. Key Management Team

SN.	Member/ Director	Details
1.	 Mr. Abdullahi Mohmaed Daud Principal	D.O.B : 10/05/1975 Education: Bachelor of Technology In Electrical Engineering Experience: Principal ElwakTVC
2.	 Mr. Abass Ibrahim Adan Ag. Deputy Principal	Education: Diploma Water Engineering Experience: 2 years as a Trainer
3.	 Mr. Abdirashid Ali Osman Registrar	Education: Diploma in HRM Experience: 2 years as a Trainer

5. Chairman's Statement

On behalf of the Governing Board, I am pleased to present the Chairman's Statement for the financial year under review.

Key Activities and Achievements

During the year, Elwak TVC continued to pursue its mandate of providing quality and market-relevant technical and vocational training. Among the notable milestones were:

- **Enhanced Enrollment:** The college registered growth in student numbers, reflecting increasing confidence in the institution's programs.
- **Program Expansion:** New courses in engineering, ICT, business, and hospitality were introduced in line with TVET reforms and local economic needs.
- **Infrastructure Development:** Considerable progress was made in the completion and equipping of workshops and classrooms to support practical-based training.
- **Partnerships and CSR:** The college engaged with community stakeholders and development partners to promote skills development and participated in corporate social responsibility activities that strengthened its bond with the surrounding community.

Challenges

Despite the progress made, the institution faced several challenges which require strategic interventions:

- **Limited Staffing:** Shortages of qualified trainers in some technical areas constrained teaching and learning.
- **Funding Gaps:** Inadequate operational funds slowed down some planned activities and infrastructural development.
- **Delayed Governance Structures:** Timely replacement and confirmation of board and management positions remain an area requiring attention for smooth operations.

Way Forward / Future Outlook

The Governing Board remains committed to steering the institution towards growth, sustainability, and relevance in the labour market. Going forward, the college will focus on:

- **Strengthening partnerships with industry** to ensure curriculum relevance and promote industrial attachments for trainees.
- **Lobbying for additional trainers and enhanced funding** from the Government and partners.
- **Expanding enrollment drives** through community sensitization and career outreach programs.
- **Fast-tracking the development of strategic and master plans** to guide future growth.

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

We are optimistic that with the continued support of the Ministry of Education, stakeholders, and the community, Elwak TVC will continue to empower young people with the skills necessary for self-reliance, job creation, and national development.

I extend my sincere appreciation to the Board of Governors, management, staff, students, and partners for their commitment and contribution to the progress achieved this year.



Mr. OSMAN IBRAHIM ISSACK

CHAIRMAN OF THE BoG

6. Report of the Senior Principal

I am pleased to present this report on the status and progress of Elwak Technical and Vocational College (Elwak TVC). This report provides an overview of our achievements, challenges, and financial performance.

Institutional Development and Enrollment:

Since its establishment, Elwak TVC has continued to make strides in technical and vocational training. The institution has witnessed a increase in student enrollment, reflecting the growing demand for technical education in the region. In the last academic year, our enrollment rose by 15%, with students enrolling in various courses in Engineering, Business, ICT and Health Science.

The increased enrollment has, however, put pressure on our existing infrastructure. We currently face challenges in accommodating all students adequately, particularly in workshop spaces, classrooms, and Students hostels are not Available. To address this, we have submitted requests for additional infrastructure development to the relevant authorities.

Academic Programs and Training:

Elwak TVC remains committed to delivering high-quality technical training. Our programs are aligned with national competency-based education and training (CBET) standards, ensuring graduates are well-prepared for the job market. We have also established industry partnerships to provide students with hands-on training and industrial attachment opportunities.

Additionally, we have successfully implemented digital learning initiatives to enhance teaching and learning. However, challenges such as inadequate internet connectivity and limited ICT resources remain a concern.

Human Resource and Staffing:

The institution currently has 15 trainers and 4 support staff, who have played a crucial role in sustaining academic excellence and administrative functions. However, we still experience a shortage of trainers, particularly in specialized technical fields. We urge the Ministry of Education to expedite the recruitment and deployment of additional trainers to meet the increasing demand.

Financial Performance:

The financial health of the institution remains a key concern. While we have received capital grants from the government, these funds are not always sufficient to cover all operational costs. Fee collection from students has not been realized due to economic hardships faced by many families.

Moving forward, we seek additional funding support for infrastructure development, staff recruitment, and expansion of training resources to sustain our growth and service delivery.

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

Challenges and Recommendations:

Despite our achievements, we face several challenges:

- **Inadequate Infrastructure:** Expansion of classrooms, workshops, and hostels is urgently needed.
- **Trainer Shortage:** Recruitment of additional trainers, particularly in specialized courses, should be prioritized.
- **Financial Constraints:** Increased funding from the government and alternative revenue streams must be explored.

Elwak TVC remains committed to its mission of providing quality technical and vocational education to empower the youth. With the support of the government, stakeholders, and development partners, we believe that the institution will continue to grow and achieve its mandate. We look forward to addressing the highlighted challenges and further improving our academic and financial performance.



ABDULLAHI MOHAMED DAUD
PRINCIPAL/SECRETARY TO BOARD OF GOVERNORS

7. Statement of Performance against Predetermined Objectives

The Institution is in the process of drafting its strategic plan

8. Corporate Governance Statement

i. Appointment of Board Members

Elwak Technical and Vocational College (ETVC) is governed by a Board of Governors appointed in line with the Technical and Vocational Education and Training (TVET) Act, 2013. The appointment of members is done by the Cabinet Secretary for Education through a transparent and competitive process, taking into account skills, professional expertise, gender balance, regional representation, and stakeholder interest. The process also allows for removal or replacement of directors in cases of resignation, misconduct, or completion of term in line with the law. The Board comprises professionals from diverse backgrounds including education, finance, engineering, governance, and community leadership. The College has a duly adopted Board Charter which guides the Board in the execution of its mandate.

ii. Roles and Functions of the Board

The Board provides strategic direction, ensures effective governance, and oversees policy implementation in line with the TVET Act and government priorities. Its key functions include:

Approving the strategic plan, annual budget, and institutional policies.

Ensuring accountability, transparency, and prudent use of resources.

Overseeing quality training and compliance with national standards.

Facilitating resource mobilization and partnerships.

Monitoring performance and evaluating institutional outcomes.

iii. Induction, Training, and Development

Upon appointment, new Board members undergo a comprehensive induction program covering governance principles, institutional mandate, financial management, and government regulations. Continuous capacity building is provided through workshops, seminars, and training facilitated by the State Department for TVET and development partners.

iv. Board and Members Performance

The Board evaluates its performance annually through self-assessment tools and external reviews. This process considers attendance, contribution, leadership, and decision-making effectiveness. Areas of improvement are identified and acted upon to enhance governance standards.

v. Number of Board Meetings and Attendance

During the year under review, the Board convened X ordinary meetings and Y special meetings. Attendance was generally satisfactory with most members attending at least 75% of meetings, demonstrating commitment to governance responsibilities.

vi. Succession Plan

Elwak TVC has developed a succession plan for senior management and Board roles to ensure continuity of leadership. The plan emphasizes internal capacity building while aligning with national guidelines on recruitment and appointment.

vii. Policy to Manage Conflict of Interest

The Board has adopted a Conflict of Interest Policy requiring all members to disclose any personal or professional interests that may conflict with their fiduciary duties. Declarations are recorded in a register, and affected members recuse themselves from related deliberations.

viii. Board Remuneration

Board members are compensated through sitting allowances, approved in line with the guidelines of the Salaries and Remuneration Commission (SRC). No additional benefits are extended beyond the approved framework.

ix. Ethics and Conduct

The Board operates under a strict Code of Ethics and Conduct, anchored on values of integrity, transparency, accountability, and professionalism. This ensures decisions are made in the best interest of the institution and stakeholders.

x. Governance Audit

The institution conducts periodic Governance Audits in line with the Mwongozo Code of Governance and guidelines issued by the State Department for TVET. Audit outcomes inform improvements in governance structures and processes.

xi. Communication Policy

Elwak TVC has adopted a Communication and Information Disclosure Policy that ensures timely, transparent, and accurate communication with stakeholders. Information is disseminated through official notices, institutional website, media briefings, and community engagement forums.

xii. Terms of Reference of Committees

The Board operates through committees which include Finance and Audit, Academic and Training, and Human Resource & Administration. Each committee has clear Terms of Reference detailing its responsibilities, reporting framework, and accountability mechanisms.

xiii. Policy on Related Party Transactions

The College has adopted a Related Party Transactions Policy which ensures that all transactions involving Board members, management, or staff are conducted transparently, at arm's length, and in compliance with public finance management regulations.



Mr. ABDULLAHI MOHAMED DAUD
PRINCIPAL/SECRETARY TO BOARD OF GOVERNORS

9. Management Discussion and Analysis

Operational and Financial Performance

Elwak TVC has continued to grow, achieving key milestones in both academic and infrastructural development. The institution has seen an increase in student enrollment and expansion of training programs, despite financial constraints

Compliance with Statutory Requirements

The institution remains compliant with statutory and regulatory requirements, including:

- Submission of financial reports to the relevant authorities.
- Compliance with tax obligations.
- Adherence to TVET Authority and Ministry of Education regulations.

However, the institution continues to advocate for increased government funding to meet the growing demands of technical education.

Major Risks Facing the Institution

Despite progress, Elwak TVC faces several risks that could impact its operations:

- Financial Risks: Delay in disbursement of government capitation and Zero fee collection from students.
- Infrastructural Constraints: Limited classroom and workshop spaces due to increased student enrollment.
- Human Resource Shortage: Inadequate number of trainers, particularly in specialized technical areas.

Material Arrears in Statutory and Financial Obligations

The institution has encountered financial challenges leading to some arrears in:

- Payment of suppliers and service providers.
- Utilities such as electricity and water.

Efforts are being made to clear outstanding arrears through improved revenue collection and budgetary adjustments.

Elwak TVC remains committed to providing quality technical and vocational training. Moving forward, we aim to:

- Seek additional funding for infrastructure expansion and trainer recruitment.
- Strengthen income-generating initiatives to reduce reliance on government funding.
- Enhance the use of technology in teaching and administration.
- Increase Fee Collection From trainees

With continued support from stakeholders, the institution is confident in achieving its long-term goals and maintaining excellence in technical education.

10. Environmental and Sustainability Reporting Statement

Sustainability Strategy and Profile

The global environment continues to be influenced by major political and macroeconomic trends, particularly climate change, resource scarcity, and the transition toward green economies. Rising temperatures, unpredictable rainfall patterns, and energy constraints remain significant threats to sustainable development. These challenges are further compounded by global economic uncertainties such as inflationary pressures, supply chain disruptions, and international energy crises, which directly affect institutional sustainability priorities.

In alignment with international best practices frameworks such as the United Nations Sustainable Development Goals (SDGs), the institution has prioritized sustainable operations that foster resilience, inclusivity, and environmental stewardship. Particular emphasis has been placed on SDG 4 (Quality Education), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), and SDG 13 (Climate Action).

During the reporting period, the institution achieved notable progress in water conservation through its community water supply initiative, improved waste segregation within the compound, and enhanced automation of administrative processes to reduce paper use. However, challenges remain, particularly limited financial resources to fully transition to renewable energy and to expand climate-smart technologies. To mitigate these, the institution continues to seek strategic partnerships with development partners, county government, and private sector stakeholders.

The Service Delivery Charter was reviewed to enhance accountability and transparency. Contracts management was guided by principles of equity, with a significant proportion of procurement opportunities allocated to youth, women, and persons with disabilities (PWDs), in line with the Public Procurement and Asset Disposal Act.

Environmental Performance

The institution operates under a guiding Environmental and Sustainability Policy, which promotes efficient use of natural resources, pollution prevention, and biodiversity conservation. Implementation measures during the reporting period included:

- Biodiversity management: Tree-planting exercises were conducted within the institution and surrounding schools, aimed at soil stabilization and provision of shade.
- Waste management: Introduction of waste segregation bins to encourage recycling and safe disposal. Plastic bottle use was minimized by promoting refillable water dispensers.

Shortcomings such as limited technical expertise in green building technologies and inadequate waste recycling infrastructure were noted. To mitigate these, capacity-building sessions were initiated for staff, and collaborations with local environmental groups are being explored.

Employee Welfare

The Human Resource Policy emphasizes inclusivity, equity, and meritocracy in hiring. Gender balance, youth representation, and opportunities for PWDs are integral considerations. Staff recruitment processes are periodically reviewed through stakeholder consultation.

Continuous professional development was supported through in-service training, workshops, and mentorship programs to enhance career growth. Appraisal and reward systems were streamlined to promote fairness and motivation.

In compliance with the Occupational Safety and Health Act (OSHA, 2007), the institution strengthened workplace safety through training, provision of protective gear, and regular safety audits. Work-related injuries remained minimal, with corrective measures put in place to address identified risks.

Market Place Practices

a) Responsible Competition Practice

The institution upholds transparency, fairness, and accountability in all competitive processes. Open tendering procedures were strictly adhered to, supported by clear anti-corruption reporting mechanisms. Service automation improved efficiency and reduced room for malpractice. The Service Charter was made accessible to stakeholders, outlining service standards and complaint mechanisms.

b) Responsible Supply Chain and Supplier Relations

The institution maintained cordial relationships with suppliers by honoring contractual obligations, respecting payment timelines, and ensuring fair and competitive procurement practices.

c) Responsible Marketing and Engagement with Citizens

Community outreach was conducted through consultative forums, institutional website updates, and public awareness campaigns. Engagements were ethical and transparent, avoiding exaggerated claims, while providing accurate information about programs, courses, and services.

d) Product Stewardship and Awareness Creation

The institution safeguarded stakeholder rights by ensuring transparency in service delivery, protecting personal data, and establishing dispute resolution mechanisms. Students and community members were sensitized on their rights, including access to clean water, education, and information.

Corporate Social Responsibility (CSR) / Community Engagements

The institution remained committed to CSR activities aligned with its core mandate. Key initiatives during the reporting period included:

- Community water supply projects supporting nearby schools and households.

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

- Tree planting campaigns with local schools and community members to support afforestation and climate action.
- Education support through bursaries and scholarships to needy students from disadvantaged backgrounds.
- Public participation forums in collaboration with county stakeholders, particularly in the planning of institutional projects.

These initiatives strengthened the institution's relationship with the community, promoted environmental conservation, and enhanced social cohesion.

11. Report of the Board of Governors

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

Principal activities

The principal activities of the Elwak TVC are to provide quality technical Education

Results

The results of the entity for the year ended June 30 are set out on page 32


Council/Board of Governors

The members of the Board who served during the year are shown on page vi, vii, viii. During the year 2024/2025 Seven director was appointed with effect from June 2025 date.

Auditors

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

By Order of the Board


.....
Secretary of the Board/Council
Nairobi
Date:

12. Statement of Board of Governors Responsibilities

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

The Council members are responsible for the preparation and presentation of the *Elwak TVC's* financial statements, which give a true and fair view of the state of affairs of the *Elwak TVC* for and 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 *Elwak TVC*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Elwak TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

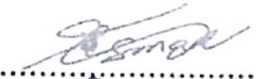
The Board members accept responsibility for the *Elwak TVC's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner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

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

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

Approval of the financial statements

The Elwak TVC financial statements were approved by the Board on 24/11/2025 and signed on its behalf by:


.....
Name OSMAN IBRAHIM ISSACK
Chairperson of the Board/Council


.....
Name ABDULLAHI M. DAUD
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ELWAK TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025 – MANDERA COUNTY

PREAMBLE

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

- A. Report on the 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 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 the purpose; and,
- C. Report on the 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 the Elwak Technical and Vocational College 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 the Elwak Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the 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

Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects a balance of Kshs.92,981,873 in respect of property, plant and equipment as disclosed in Note 16 to the financial statements. Included in the balance are land and buildings valued at Kshs.44,000,000 and Kshs.48,981,873 respectively. However, the College had other assets of undetermined values including furniture and fittings, ICT and technical training equipment that were not included in the statement of financial position. In addition, ownership documents for land owned was not provided for audit review.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.92,981,873 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.9,969,461 and Kshs.6,552,843 respectively, resulting in an under-funding of Kshs.3,416,618 or 34% of the budget. Similarly, the statement reflects actual expenditure of Kshs.6,273,632 against actual revenue of Kshs.6,552,843, resulting in an under expenditure of Kshs.279,211 or 4% of available funds.

The under-funding affected implementation of the planned activities and may have impacted negatively on the operations of the College.

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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the following seven (7) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Property, Plant and Equipment Balance
2	2023/2024	Unsupported Prior Year Adjustments
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Late Submission of the Financial Statements
5	2023/2024	Lack of Internal Audit Function
6	2023/2024	Lack of Audit Committee
7	2023/2024	Lack of Key Departments and Policy Documents

Other Information

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

In connection with my audit on College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information 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 effects of the matter 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

Failure to Prepare Estimates of Income and Expenditure

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.9,969,461 and Kshs.6,552,843 respectively, However, Management did not provide evidence of approval of the budget by the Board of Management and the Parent Ministry. This was contrary to the requirement of Section 22 (2) of the Technical and Vocational Education and Training Act, 2013 which states that the Board of Governance of a public institution shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Constitute Board of Governance

The Board of Governance that is supposed to direct the College in achieving its strategic objectives was not constituted. Although there are three (3) individuals indicated as College's Board Members, review of the College's organization and governance records revealed that the College was operating without a Board of Governance.

In the circumstances, the effectiveness of governance structures at the College could not be confirmed.

2. Ineffective Internal Audit Unit

Review of the operations of the College revealed that there was no internal audit function in place. This was contrary to Section 73(1) (a) of the Public Finance Management Act, 2012 that provides for every National Government entity to ensure it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

It was also observed that the College did not have an approved Internal Audit Charter to guide on operational independence and ensure a definite mandate to execute internal audit functions.

In the circumstances, the existence of effective mechanisms and processes for review and evaluation of budgetary performance, financial management, transparency and accountability in the College could not be confirmed.

3. Lack of Audit Committee

The College did not have an audit committee. This was contrary to Section 73(5) of the Public Finance Management Act, 2012 that provides for every National Government public entity to establish an audit committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of checks and balances in the College could not be confirmed.

4. Lack of Key Management Policies

The College had not put in place key policies including human resource policy manual, credit management policy, finance manual, risk management policy and business continuity plan during the year under review.

Lack of key policies and manuals may result to the College deviating from its goals and overall strategic objectives which may affect overall governance of the College.

In the circumstances, the College lacked the tools for effective policy implementation.

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

Responsibilities of Management and the Board of Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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


26 November, 2025

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

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,729,138	3,063,828
		3,729,138	3,063,828
Revenue from Exchange transactions			
Rendering of services- fees from students	7	6,128,519	2,335,971
Revenue from Exchange transactions		6,128,519	2,335,971
Total Revenue		9,857,657	5,399,799
Expenses			
Use of goods and services	8	4,171,732	2,133,297
Employee costs	9	1,755,000	1,550,160
Board /Council Expenses	10	40,000	233,000
Depreciation and amortization expense	11	999,630	1,015,992
Repairs and maintenance	12	109,000	77,000
Total Expenses		7,075,362	5,009,449
Other Gains/(Losses)			
Net surplus/(deficit) for the year		2,782,294	390,350

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


.....
Chairman of Council/Board

Date 24/11/2025


.....
Principal

Date 24/11/2025


.....
Finance Officer

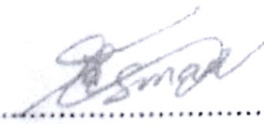
ICPAK No
Date 24/11/2025

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

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	663,022	383,812
Current portion of receivables from exchange transactions	14 (a)	4,603,389	1,831,920
Receivables from non-exchange transactions	15	533,344	-
Total Current Assets		5,799,755	2,215,732
Non-Current Assets			
Property, plant, and equipment	16	92,981,873	93,783,603
Total Non-Current Assets		92,981,873	93,783,603
Total Assets		98,781,628	95,999,335
Liabilities			
Current Liabilities			
Non-Current Liabilities			
Total Liabilities		-	-
Net Assets		98,781,628	95,999,335
Represented By:			
Prior Year Adjustment		-	396,300
Accumulated Surplus		3,568,944	390,350
Capital Fund		95,212,685	95,212,685
Net Assets		98,781,628	95,999,335

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


.....
Chairman of Board

Date 29/11/2025


.....
Principal

Date 29/11/2025


.....
Finance Officer

ICPAK No
Date 29/11/2025

Elwak Technical and Vocational College
 Annual Report and Financial Statements for the year ended 30th June 2025
 16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	-	-	-
Surplus/(deficit) for the year	-	390,350	95,212,685	95,603,035
Prior year Adjustment		396,300		396,300
At June 30, 2023	-	786,650	95,212,685	95,999,335
At July 1, 2023	-	786,650	95,212,685	95,999,335
Surplus/(deficit) for the year	-	2,782,294		2,782,294
At June 30, 2024	-	3,568,944	95,212,685	98,781,628

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

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,195,793	3,063,828
Rendering of services- fees from students	7	3,357,050	504,051
Total Receipts		6,552,843	3,567,879
Payments			
Use of goods and services	8	4,171,732	2,133,297
Employee costs	9	1,755,000	1,550,160
Board /Council Expenses	10	40,000	233,000
Repairs and maintenance	12	109,000	77,000
Adjust for:			
Prior Year Adjustment			(106,900)
Total Payments		6,075,732	3,993,457
Net Cash Flows from operating activities		477,111	3,993,457
Adjust for:			
Prior Year Adjustment			(106,900)
Net Cash Flows from operating activities		477,111	(532,478)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	(197,900)	(251,650)
Net cash flows used in investing activities		(197,900)	(251,650)
Cash flows from financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		279,211	-280,928
Cash and Cash equivalents at 1 JULY		383,812	664,740
Cash and Cash equivalents at 30 JUNE		663,022	383,812

Elwak Technical and Vocational College
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*100
Receipts						
Transfers from other National Government entities	3,849,138		3,849,138	3,195,793	653,345	17%
Rendering of services- fees from students	6,120,323		6,120,323	3,357,050	2,763,273	45%
Total Receipts	9,969,461		9,969,461	6,552,843	3,416,618	34%
Payments						
Use of goods and services	5,069,461	-	5,069,461	4,171,732	897,729	18%
Employee costs	2,100,000		2,100,000	1,755,000	345,000	16%
Board /Council Expenses	300,000		300,000	40,000	260,000	87%
Repairs and maintenance	500,000		500,000	109,000	391,000	78%
Development	2,000,000		2,000,000	197,900	1,802,100	90%
Total Expenditure Payments	9,969,461		9,969,461	6,273,632	3,695,829	37%
Capital Expenditure Payments	-		-	-	-	-
Surplus				279,211	-279,211	

19. Notes to the Financial Statements

1. General Information

Elwak TVC is established by and derives its authority and accountability from PFM Act. The Elwak TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The Elwak TVC principal activity is providing Technical Education.

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 the Elwak TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Elwak TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new and amended standards 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 ELwak TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The standard had no impact in preparation of financial statements
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. The standard had no impact in preparation of financial statements
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. <i>The standard had no impact in preparation of financial statements</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

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

	<ol style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol 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

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

	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. The standard had no impact in preparation of financial statements
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iii. Early adoption of standards

Elwak Technical and Vocational College did not early-adopt any new or amended standards in 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 Elwak TVC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Elwak TVC 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 Elwak TVC.

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

c) Taxes

Current income tax

The Elwak TVC is exempt from paying taxes under Income Tax Act cap 470 Section 13(1), Part I of the First schedule (10).

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 Elwak TVC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Elwak TVC. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Elwak TVC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability 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 Elwak TVC will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Elwak TVC. 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 Elwak TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Elwak TVC can demonstrate:

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

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

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 Elwak TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Elwak TVC and a financial

liability or equity instrument of another Elwak TVC. At initial recognition, the Elwak TVC 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 Elwak TVC 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 Elwak TVC'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 Elwak TVC has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Elwak TVC 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 Elwak TVC 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 Elwak TVC recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

Financial liabilities

Classification

The Elwak TVC 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.

Inventories (Continued)

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

D Provisions

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

Contingent liabilities

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

Contingent assets

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

m) 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 *Elwak TVC* recognises a social benefit as an expense for the social benefits 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 *Elwak TVC* will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

The Elwak TVC creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Elwak TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Elwak TVC pays fixed contributions into a separate Elwak TVC (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 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 Elwak TVC regards a related party as a person or an Elwak TVC with the ability to exert control individually or jointly or to exercise significant influence over the Elwak TVC, 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 *Elwak TVC* 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 *Elwak TVC* 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 *Elwak TVC* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,230,000	1,830,000
Operational Grant	2,499,138	2,000,000
Total unconditional Grants	3,729,138	3,830,000
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	3,729,138	3,830,000

7. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	3,837,969	1,611,620
Examination Fees	2,290,550	724,351
Total Revenue from The Rendering of Services	6,128,519	2,335,971

8. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching and learning materials	860,800	100,300
Water	141,000	-
Subscriptions	113,500	-
Advertising	100,000	-
Examination fees	1,448,600	263,280
Travelling and accommodation	1,167,050	1,161,950
Fuel and oil	-	25,000
Foodstuff supplies	157,350	297,750
Printing and stationery	70,000	193,000
Hire charges	-	30,000
Telephone expenses	10,000	15,000
Bank Charges	15,577	7,017
Training expenses	87,855	-
Other (TVET @100 Celebration at Mandera FTI)	-	40,000
Total good and services	4,171,732	2,133,297

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9. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	1,755,000	1,452,160
Performance and other bonuses	-	98,000
Employee Costs	1,755,000	1,550,160

10. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Directors Emoluments	40,000	233,000
Total	40,000	233,000

11. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	999,630	1,015,992
Total depreciation and amortization	999,630	1,015,992

12. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property	109,000	77,000
Total Repairs and Maintenance	109,000	77,000

13. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	663,022	383,812
Total Cash and Cash Equivalents	663,022	383,812

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		663,022	383,812
Sub- Total		663,022	383,812
b) On - Call Deposits			
c) Fixed Deposits Account			
d) Staff Car Loan/ Mortgage			
Grand Total		663,022	383,812

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	4,603,389	1,831,920
Total Current Receivables	4,603,389	1,831,920

15. Receivables from Non-Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Capitation Grants	533,344	-
Total Current Receivables	533,344	-

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16. Property, Plant and Equipment

Cost	Land		Buildings		Motor vehicles		Furniture and fittings		Computers		Plant and equipment		Other Assets (specify)		Capital Work in progress		Total		
	Kshs		Kshs	%	Kshs	X%	Kshs	X%	Kshs	X%	Kshs	X%	Kshs	X%	Kshs	X%	Kshs	X%	
Depreciation Rate				2%															
At 1 July 2023	44,000,000		49,783,603																93,783,603
Additions	-		-		-		-		-		-		-		-		-	-	-
Disposals	-		-		-		-		-		-		-		-		-	-	-
Transfers/ Adjustments	-		-		-		-		-		-		-		-		-	-	-
Revaluation	-		-		-		-		-		-		-		-		-	-	-
At 30 th June 2024	44,000,000		49,783,603																93,783,603
Additions	-		197,900		-		-		-		-		-		-		-	-	-
Disposals	-		-		-		-		-		-		-		-		-	-	-
Transfer/ Adjustments	-		-		-		-		-		-		-		-		-	-	-
Revaluation	-		-		-		-		-		-		-		-		-	-	-
At 30 th June 2025	44,000,000		49,981,503																93,981,503
Depreciation and Impairment																			
At 1 Jun 2024	-		-		-		-		-		-		-		-		-	-	-
Depreciation	-		999,630		-		-		-		-		-		-		-	-	999,630
Disposals	-		-		-		-		-		-		-		-		-	-	-
Impairment	-		-		-		-		-		-		-		-		-	-	-
At 30 Jun 2025	44,000,000		48,981,873																92,981,873
Depreciation	-		-		-		-		-		-		-		-		-	-	-
Disposals	-		-		-		-		-		-		-		-		-	-	-
At 30 th Jun 2025	-		-		-		-		-		-		-		-		-	-	-
Net Book Values																			
At 30 th Jun 2024	44,000,000		49,783,603																93,783,603
At 30 th Jun 2025	44,000,000		48,981,873																92,981,873

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines. The assets were revalued by professional valuers etc. These amounts were adopted in the financial statements on

16 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	44,000,000	-	44,000,000
Buildings	49,981,503	(999,630)	48,981,873
Total	93,981,503	(999,630)	92,981,873

17. Events After the Reporting Period

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

18. Ultimate And Holding Entity

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

19. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GRO AUD TVC/MDR ELWAK 2023/2024 (13)	Unsupported property, Plant and Equipment	<p>The Institute is in the process of undertaking a comprehensive verification and tagging exercise of all assets to ensure that the Fixed Assets Register is complete, accurate, and updated in line with best accounting and audit practices. This exercise will include the incorporation of missing asset information, assignment of tag numbers, and proper reconciliation with the general ledger.</p> <p>On land ownership documents, management has initiated engagements with the Ministry of Lands and relevant government agencies to fast-track the acquisition and formal registration of title documents for institutional land. Interim documentation available with the Ministry of Education and County Land Offices will be availed to auditors in the subsequent review.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG GRO AUD TVC MDR/ELWAK/2023/2024 (12)	Late Submission of the Financial Statements	The delay was occasioned by the following factors, Resource Constraints: The institution faced challenges related to staffing and technical expertise in the preparation of financial statements, which affected the timely finalization of the reports. Management has put in place a strict timeline and monitoring framework to ensure financial statements are prepared and submitted within the statutory deadline in subsequent years	Resolved	
OAG GRO AUD TVC MDR/ELWAK/2023/2024 (13)	Lack of Internal Audit Function	Management acknowledges the observation regarding the lack of an internal audit function. The institution is newly established and did not have the capacity to employ an internal auditor during the period under review. However, management recognizes the importance of internal audit in strengthening internal controls, risk management, and governance. Plans are underway to establish an	Not Resolved	

Elwak Technical and Vocational College
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		internal audit unit as the institution grows and resources allow Until an internal auditor is assigned, the institution will continue working closely with external auditors and relevant oversight bodies to ensure compliance with financial regulations. Management is committed to ensuring that an internal audit function is established as the institution expands and resources become available.		
OAG/GRO/AUD/TVC/MDR/ELWAK/2023/2024 (13)	Lack of Audit Committee	During the year under review, the College did not have an Internal Audit Unit in place as required by Section 73(5) of the Public Finance Management Act, 2012. However, following the appointment of a new Board, Elwak TVC has now established an Audit Committee to strengthen internal control and compliance with the law.	Resolved	
OAG/GRO/AUD/TVC/MDR/ELWAK/2023/2024 (13)	Lack of Key Departments and Policy Documents	The College acknowledges the importance of establishing strong internal controls as required under Regulation 23(1)(c) of the Public Finance Management (National Government) Regulations, 2015. The absence of key policies and structured departments has been due to the institution's relatively new status and ongoing efforts to build capacity. 1. Policy Development: The College is in the process of developing a Human Resource Manual, Finance	Not Resolved	

Elwak Technical and Vocational College
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Policy Manual, Risk Management Policy, Disaster Recovery Plan/Business Continuity Plan, and Debt Management Policy. Drafts are being reviewed, and necessary approvals will be sought from the Board of Governors once the new is constituted.</p> <p>2. Departmental Structure: Efforts are underway to recruit and assign staff to key departments, including Finance, Procurement, and ICT. The College has already engaged temporary staff in some of these areas while awaiting formal recruitment.</p> <p>3. Operational Efficiency: In the interim, financial and procurement functions are being handled in accordance with existing national regulations, with oversight from relevant government agencies.</p>		


 Name ABDULAZIZ M. DASP
 Accounting Officer
 (Enter title of Head of entity)
 Date 29/11/2025

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Appendix II: Projects Implemented by Elwak TVC

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

There was no Projects implemented by the State Corporation/ SAGA Funded by development partners 2024-2025

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Appendix III- Inter-Entity Confirmation Letter

There was no transferring and receiving of fund from other institution.