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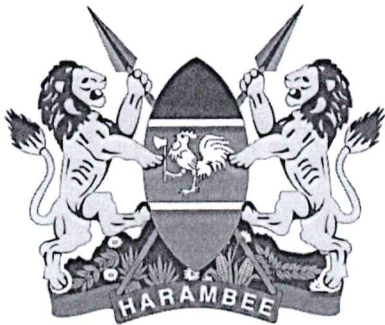
ON

**IJARA TECHNICAL AND VOCATIONAL
COLLEGE**

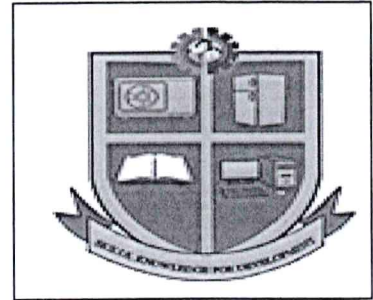
**FOR THE YEAR ENDED
30 JUNE, 2025**

GARISSA COUNTY





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**IJARA 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)

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**Ijara 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 - Key management personnel who have financial responsibility in the
TVC

Comparative Year- 2024/2025.

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2. Key Entity Information and Management

(a) Background information

The Institution was incorporated and established under the TVET Act of 2013 on 16th September, 2014. The Institution is domiciled in Kenya and has one main branch located in Masalani Municipality, Ijara Constituency, Masalani Ward. The Institution is under the Ministry of Education. There are seven (6) academic and ten (7) non-academic departments as listed below:

(i) Academic departments:

1. Information and Communication Technology
2. Building and Civil Engineering
3. Mechanical
4. Liberal Studies
5. Business and Entrepreneurship

(ii) Non-Academic departments:

1. Guidance & Counselling
2. Industrial Liaison Officer (ILO)
3. Marketing
4. Office of career Services (OCS)
5. Internal Quality Assurance

(b) Principal Activities

The principal activities of the Institution are centred on the core mandate which is training for skills in technical and business courses.

Vision

To excel as a distinguished Centre for Air Conditioning and Refrigeration in the region.

Mission

To produce Innovative and Industrious graduates with relevant technological knowledge and skills to fit in the dynamic labour market both locally and globally.

Core Values

Integrity

- Honesty
- Professionalism
- Transparency
- Accountability
- Team Work

Quality Policy

The Institution is committed to be a Centre of excellence in Technical, Vocational Education and Training by offering high quality training, for innovation, employability and job creation in support of vision 2030. In pursuit of this commitment, the Institution shall comply with all applicable requirements and continually improve the established Quality Management System based on ISO 9001:2015 Standard. This Quality Policy shall be reviewed annually for continuing improvement and sustainability.

(c) Key Management

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

1. Board of Governors
2. Principal
3. Management Team
4. Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	ABDULLAHI .A. AHMED
2.	Deputy Principal -Academics	ALI KOMORA
3.	Registrar	FRANCIS KIIRU
4.	Dean of Trainees	OSMAN HISH MOHAMED

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Institution has formed board committees to carry out oversight functions for the following activities:

Audit and risk committee activities

1. Review the quality and effectiveness of the external audit process.
2. Providing input and approving the written charter for the internal audit function, including periodic review and updating.
3. Understanding, discussing and approving the Institution's risk assessment and internal audit plan.
4. Reviewing on-going activities of the internal audit function, including its reports, and inquire as to any other matters that should be brought to the committee's attention.
5. Directing the internal audit function, as necessary, to perform special reviews on behalf of management or the audit committee, including investigations of fraud or suspected fraud.

Finance and operations committee activities

1. Ensure accurate and complete financial records are maintained.

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2. Approve and recommend financial statements to the board.
3. Advising the board on the Institution's finances.
4. Approve and review Institution budgets on quarterly basis.
5. Advise on matters relating to Human Resource to the board.
6. Advise on mobilization of funds.

Discipline and Academic Committee Activities:

1. Make recommendations, guide and direct on matters pertaining to academic programs.
2. Approve academic programs to be offered for the development and growth of the Institution.
3. Approve academic calendar and co-curricular activities for the Institution;
4. Approve funds for research and extension activities in the Institution;
5. Ensure quality education is offered in the Institution and approve accreditation of the Institution;
6. Advice on discipline matters related to staff and trainees.

Key Entity Information and Management (Continued)

(a) Entity Headquarters

Ijara Technical and Vocational College
P.O. Box 31-70105
Masalani –Kenya
Masalani- Garissa Road
Garissa –Kenya

(b) Entity Contacts

Telephone: (254) 703 335 541
E-mail: ijaraTVC23@gmail.com

(c) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(d) Independent Auditors

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

(e) Principal Legal Adviser

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

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3. Board of Governors





<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	Hassan Hussein Nurie Board Chairperson	Education Bachelor of Science in Microbiology Experience County Health Directors' Office
2.	<i>Hussein Abdi Ali- Independent Board Member</i>	Education Master of Arts in Project Planning and Management. BEd arts and higher diploma human resources management. Experience Coordinator Umma NEP Region
3.	<i>Katra Hassan Bundid - Independent Board Member</i>	Education Bachelor Degree in Commerce (Finance) Experience Accountant- Masalani Municipality Over 8 years' experience in the field of accounting
4.	<i>Dr, Hassan Abdi Mohamed- Independent Board Member</i>	Education MBchB, Bachelor of Medicine and Bachelor of Surgery Experience Medical Officer-Ministry of Health
5.	<i>Ahmed Abdi Noor- Independent Board Member</i>	Education Bachelor Degree in Business Administration Experience Former Chief Officer- Garissa County Chairperson of Public Service Board-Garissa County
6.	<i>Ahmed Abdirahman Ismael-- Independent Board Member</i>	Education Master of Business Administration Experience Senior Internal Auditor- Garissa University
7.	<i>Komora Easter Timna- Independent Board Member</i>	Education Bachelor of Law Experience

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		Legal Counsel- County Assembly of Tana River
8.	<p>Mohamed Noor Aden <i>TVET Regional Director</i></p>	<p>Education:</p> <p>Experience: Deputy Regional Director TVET –Garissa and Tana River Regions.</p>
9.	<p>Abdullahi Abdi Ahmed <i>Principal- Ijara TVC</i></p>	<p>Education: Bachelor Business Information Technology (BBIT) TVET Managers Course 2025-KSTVET</p> <p>Experience: Registrar Fayya TVC Principal Ijara TVC (2023-Present)</p>

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4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Abdullahi Abdi Ahmed	Education: Bachelor Business Information Technology (BBIT) TVET Managers Course 2025-KSTVET Experience: Registrar Fayya TVC Current Principal Ijara TVC
2.	 Ali Komora	Deputy Principal-Administration
3.	 Francis Kiiru	Education: Mechanical & Automotive Engineering Experience: Deputy Principal-Academics
4.	 Hish Osman Mohamed	Education: Bachelors Science Computer Science – Kisii University Experience: Mr. Francis Kiiru has experience over 4 years as a Registrar and examination officer. Registrar
5.	Hish Osman Mohamed	Dean of Trainees

5. Chairman's Statement

We have come to the end of the financial year 2024/2025 and I have every reason to thank God. The Board has laid a very strong foundation on which we are committed to build a vibrant Institution in line with our vision and mission. Throughout the year the Board has worked very hard and this is evidenced in the rapid growth of infrastructure and quality of service. This has been possible due to the commitment of the Institute's management in day-to-day operations.

I would like to acknowledge the opportunities that have been created by the Ministry of Education, in TVET. The poor performance of the economy in the country has had a negative impact on our operations in that we have not been able to fully implement the projects as we would have wanted. However, the hard-economic time has served as an eye opener for exploring other ways of generating income within the Institute.

I look forward to a brighter future for Ijara Technical and Vocational College where we hope to come up with more Income Generating Activities which will supplement the income from the trainees. I also hope that we shall embark on construction of a modern ICT Hub that will cater for the training of the large numbers that apply for these courses.

It is my prayer and belief that despite the challenges posed by poor economic performance, we shall excel in our core mandate of imparting skills and attitude to the trainees.

Signed:



Date.....

21/11/25

**Mr. Hassan Hussein Nurie
Chairperson, Board of Governor**

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6. Report of the Principal

A Brief of Ijara Technical and Vocational College

Historical Background

Enrolment

Currently the student enrolment is at thirty-six. The Institute has seven (5) Academic departments and the population per department is illustrated in the table below:


S/NO.	DEPARTMENT	MALE	FEMALE	TOTAL
1	Information and Communication Technology	11	8	19
2	Building and Civil Engineering	1	0	1
3	Mechanical	6	0	6
4	Liberal Studies	5	2	7
5	Business and Entrepreneurship	3	0	3
	TOTAL			36

Service delivery of Ijara TVC to all stakeholders is supported by employees employed and paid by the Board of Governors besides those employed by the Government. The institution has Public Service Trainers and BOG Non-Teaching staff.

Ijara is certified and therefore services offered meet international standards with our core mandate being training from Artisan to Diploma level. In the Financial Year 2024/2025 the board developed the Internal Quality Assurance policy to enhance quality of service. An attachment policy was also developed during the year to guide on attachment and mentorship for trainees.

The Institution during the period facilitated staff to attend trainings including training in Computing and informatics department on the Jitume Program. The public Service Commission has continued to post trainers to the Institution. Looking forward to a future of imparting and impacting on the skills gap faced by the country and that TVET Institutions will be a major contributor of skills and innovations towards achievement of vision 2030.

Signed: 

Date:  17/11/2025

MR. ABDULLAHI ABDI AHMED.
Principal/Secretary Board of Governors

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Ijara TVC has *Five (3)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024- 2025. These strategic pillars are as follows:

Goal 1: To improve the quality and relevance of programs offered.

Goal 2: To enhance equitable access to TVET programmes

Goal 3: To Enhance Institutional Governance and management

Ijara TVC develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Board achieved its performance targets set for the FY 2024/25 period for its 3 strategic goals, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Goal 1: Improve quality and relevance of programmes offered.	<ul style="list-style-type: none"> ➤ Enhance trainee welfare and extra-curricular activities. ➤ Enhance research and innovation ➤ Produce quality and competent graduates who fit in the dynamic labour market. 	<ul style="list-style-type: none"> • Enhance the quality of teaching and learning; • Establish career guidance and counselling • Strengthen capacity for research and development at the Institute • Enhance participation in co-curricular activities • Establish partnerships between ITVC and the private sector 	<ul style="list-style-type: none"> • Engaged with private sector to improve on teaching and learning. • Plan and facilitate co-curricular activities. • Plan and facilitate trainees and staff for TVET fairs. • Facilitation of research and development activities in the Institution. 	<ul style="list-style-type: none"> • Added additional programmes relevant to industry. • Established partnerships with local industries

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		<ul style="list-style-type: none"> • Participate in TVET Fairs 		
Goal 2: To enhance equitable access to TVET programmes	<ul style="list-style-type: none"> ➤ Develop priority Infrastructure (physical resources and facilities). 	<ul style="list-style-type: none"> • Improved training Facilities utilization • Renovation of infrastructure in the Institution 	<ul style="list-style-type: none"> • Renovation and Improvement of Infrastructure 	<ul style="list-style-type: none"> • Repairs of learning facilities for better comfort in class and during learning. • Maintaining learning equipment
Goal 3: To Enhance Institutional Governance and management	<ul style="list-style-type: none"> • Prioritize Human Resource Development and Customer Service Delivery. 	<ul style="list-style-type: none"> • Enhance the human capital of the Institution • Train Managers and Staff • Implement an attractive scheme of service 	<ul style="list-style-type: none"> • Facilitate Staff to attend trainings 	<ul style="list-style-type: none"> • Employed BOG trainers on contract in the Academic Department to enhance training. • Facilitated staff to attend trainings for better service delivery.
	<ul style="list-style-type: none"> • Enhance prudent utilization of institute's funds. 	<ul style="list-style-type: none"> • Broaden the financial base of the Institute • Strengthen student financing in the Institute 	<ul style="list-style-type: none"> • Creating of IGAs for Income Generation in the Institute 	<ul style="list-style-type: none"> • Established IGA on welding and Fabrication department
	Strengthen ITVC's Corporate Identity	<ul style="list-style-type: none"> • Develop a Strong reputation for ITVC • Build cohesion in the Institution 	<ul style="list-style-type: none"> • Extensive marketing of the Institution 	<ul style="list-style-type: none"> • The Marketing department has been facilitated to carry out marketing of the Institution.

8. Corporate Governance Statement

Corporate governance is a system of rules and practices and processes by which a company is directed and controlled. It identifies who has power and accountability and who makes decisions. The Board of Governors is mandated to make decisions and direct the running of the Institution.

(a) ANALYSIS OF BOARD MEETINGS WITHIN THE FINANCIAL YEAR 2024/2025

S/NO	DATE	ATTENDANCE	PURPOSE
1.	27/06/2025		Inauguration
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			

APPOINTMENT OF THE BOARD MEMBERS

The appointment of the Board of Governance is done in accordance with the second schedule of the Technical and Vocational Education and Training (TVET) ACT NO. 29 of 2013. The appointing authority is the Cabinet Secretary and in accordance with section 28 (3) and the second schedule part (1) and (2) (a) of the TVET Act. The term of office is three (3) years effective from the date of letter of appointment. The ACT also explains how a board member can be removed from office. The Board members sign a conflict of interest register before they hold meeting in case there is need to declare conflict of interest.

ROLE AND FUNCTIONS OF THE BOARD.

The functions of the Authority shall be to:

1. Regulate and coordinate training under this Act 2013 Technical and Vocational Education and Training No.29 Act.
2. Accredite and inspect programmes and courses.
3. Advice and make recommendations to the Cabinet Secretary on all matters related to training.
4. Determine the national technical and vocational training objectives.
5. Promote access and relevance of training programmes within the framework of the overall national socio-economic development plans and policies.
6. Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity.

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7. Recognize and equate qualifications awarded by local or foreign technical and vocational education institutions in accordance with the Standards and guidelines set out by the Authority from time to time.
8. Develop plans and guidelines for the effective implementation of the provisions of this Act;
9. Establish a training system which meets the needs of both the formal and informal. Sectors as provided under this Act.
10. Collect, examine and publish information relating to training.
11. Inspect, license, register and accredit training institutions. Advise on the development of schemes of service for trainers.
12. Assure quality and relevance in programmes of training.
13. Liaise with the national and county governments and with the public and the private sector on matters relating to raining.
14. Undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines.
15. Mobilize resources for development of training.
16. Ensure the maintenance of standards, quality and relevance in all aspects of training, including training by or through open, distance and electronic learning.
17. Approve the process of introduction of new training programmes and review existing programmes in Technical and Vocational Education and Training Board institutions.
18. Perform any other functions necessary for the better implementation of this Act.

The Authority may, where appropriate, with approval of the Cabinet Secretary, delegate the performance of any of its functions to a suitably qualified person or body.

The Board remuneration is done based on attendance of the meetings where they sign the BOG Attendance book.

There is an internal Auditor who represents and report to the Board members i.e. Audit committee. There is a conflict of interest register which is signed before any agendas are discussed.

Signed: .....

Dat..17.11.2025

MR. ABDULLAHI ABDI AHMED.
Principal/Secretary Board of Governors

9. Management Discussion and Analysis

The following is the overview of performance of the Institution for the period ended 30th June, 2025.

Section A

ITVC's operational and financial performance

The Institution is a public institution whose mandate is to provide quality and relevant technical training for skills for the achievement of Vision 2030. The source of revenue is from Government funds and collection of fees from trainees. It is a non-profit making entity.

Section B

ITVC's compliance with statutory requirements

The Institution remains committed to compliance with remittance of statutory obligation.

Section C

Major risks facing ITVC

Liquidity risks

The source of revenue for ITVC is from government grants and collection of fees from trainees. Delay in disbursement of government grants and delay in remittance of fees by sponsors, guardians, and parents affects service delivery and timely execution of projects.

Operational risks

Increase in cost of training materials has resulted in high pending bills and amount of fees charged per trainee remains constant.

Fire and burglary may be a risk on assets in the Institution due to the nature of activities undertaken. The Institution is remotely located and surrounded by low-income settlement that may pose a threat to theft of the Institution's assets.

Rain makes the road impassable hence hindering learning activities.

Trainees are also exposed to accident risks in labs and workshops where machines and equipment are used for training.

The Institution has developed a management risk policy which will help in mitigating operational risks.

Section D

Material arrears in statutory/financial obligations

Section F

ITVC's financial probity and serious governance issues

There is no major financial improbity being encountered by the Institution.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Kenya's government has shown a commitment to sustainable development, with policies encouraging the integration of renewable energy sources and environmentally friendly practices in educational institutions. The government has provided our partners with the goodwill, by allowing them to showcase and share their knowledge.

Our key achievements include continuous planting of trees within the Institution which in the long term will contribute to reduction of the carbon footprint. We have also continued to engage local and international stakeholders to provide practicality in training to improve the employability of our graduates. Our most prominent challenge at this moment is safeguarding equipment and institutional facilities due to lack of fencing.

As an Institution we maintain an ongoing dialogue with trainees, staff, and local organizations to gather feedback and identify areas for improvement. This feedback loop is integral to our commitment to continuous enhancement of our sustainability initiatives and educational programs.

Environmental performance

The Institution is committed to reducing the carbon footprint by the continuous planting of trees within and without the Institution in corporation with other partners.

Employee welfare

The Institution has put in place the HR manual that gives guidelines on the hiring process for employees. The HR manual considers the various aspects of employee well-being within the Institution including remuneration. This has enabled employees to understand the various processes involved in terms of appointments, dismissals and any other aspect of employee and employer relationship within the Institute. The HR manual is reviewed at intervals of 3 years.

Employees in the Institution are required to fill in performance appraisals. In this case, they set targets they would want to achieve within the year with consultation with their immediate supervisors. This enables the supervisor to gauge an employee performance with regards to the set targets and achievements within the year. Employees are required to produce evidence of achievements to substantiate them.

Market place practices

The Institute has put in place a corruption prevention committee (CPC) that deals with matters anti-corruption. The Institution encourages fair competition by providing a neutral ground for provision of goods and services on merit. The Institution also gives equal opportunity for suppliers to provide goods and services, while choosing the best supplier at any given time with reference to public procurement. ITVC is committed to paying suppliers of goods and services as specified on the contracts signed among the suppliers and the Institution.

The Institution's core mandate is education and training and it engages with stakeholders to ensure that trainees get the best out of the Institution. The Institution also provides an environment for co-

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curricular activities where trainees are encouraged to participate in sports by organising interdepartmental sports day and also facilitating trainees to attend music festivals and regional sports activities.

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 Ijara TVC's affairs.

(a) Principal activities

The principal activities that enable the institution to produce graduates who are knowledgeable, skilled and equipped with positive attitude that will enable them to cope with challenges of the fast changing world are:

1. Provide a conducive environment for teaching and learning and adequate training materials.
2. Promote leadership by providing opportunities for students' representation in clubs and classes
3. Provide adequate training materials.
4. Adhere to the Government regulations and policies.
5. Ensure syllabus coverage by optimizing and time utilization.
6. Ensure all industrial attaches are posted and assessed.
7. Ensure standard evaluation through continuous assessment tests and examination.
8. Conduct annual staff performance appraisal.
9. Ensure prompt payments for supplies and services.
10. Remain updated on modern technology by facilitating in services courses and industrial attachments for the staff.
11. Make the institution a centre of interest for all through enhanced publicity, high levels of performances, quality service and integrity.
12. Improve the rate of conveying information adequate communication channels.
13. Provide timely response to all enquiries.
14. Provide quarterly and annual performance reports to the Ministry of Education Science and Technology.

Results

The results of Ijara TVC for the year ended June 30th, 2025 are set out on pages 1 to 59.

Board of Governors

The members of the Board who served during the year are shown on page vii to xi.

Auditors

The Auditor General is responsible for the statutory audit of Ijara TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Office of the Auditor General staff were nominated by the Auditor General to carry out the audit of Ijara TVC for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

Signed 

DATE...17.11.2025...

MR. ABDULLAHI ABDI AHMED.
Principal/Secretary Board of Governors

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12. Statement of Board of Governors' Responsibilities

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

The Board members are responsible for the preparation and presentation of ITVC's financial statements, which give a true and fair view of the state of affairs of ITVC 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 entity,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of ITVC,
- (v) Selecting and applying appropriate accounting policies,
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

Ijara TVC's financial statements were approved by the Board on 17.11.2025 2025 and signed on its behalf by:

Signature.....

Chairperson of the board

Signature.....

Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying financial statements of Ijara Technical and Vocational College – Garissa County set out on pages 1 to 25, 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 and statement of cash flows for the year then ended

Report of the Auditor-General on Ijara Technical and Vocational College for the year ended 30 June, 2025 – Garissa County

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Ijara Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Statement of Changes in Net Assets

The statement of changes in net assets reflects net assets as at 30 June, 2025 of Kshs.56,558,879 while the recomputed net assets is Kshs.57,923,230 resulting in an unreconciled variance of Kshs.1,364,351. In addition, the statement reflects accumulated fund balance as at 30 June, 2025 of negative Kshs.2,076,770 comprising of deficit for the previous year of Kshs.1,364,351 and deficit for the year of Kshs.712,419, however, the audited financial statements reflect deficit for the previous year of Kshs.1,493,673 resulting in an unexplained variance of Kshs.129,322.

Further, the statement reflects capital grants/fund as at 30 June, 2025 of Kshs.58,635,649 which has been erroneously decreased by the deficit of the previous year of Kshs.1,364,351.

In the circumstances, the accuracy, presentation and disclosure of net assets balance of Kshs.56,558,879 in the statement of changes in net assets could not be confirmed.

2. Inaccurate Cash Generated from Operations

The statement of cash flows reflects net cash flows from operating activities of Kshs.787,581 as disclosed in Note 17 to the financial statements. However, no working capital adjustments were made in Note 17 for increase in inventories, decrease in receivables from nonexchange transactions and decrease in trade and other payables from exchange transactions.

In the circumstances, the accuracy, presentation and existence of net cash flows from operating activities of Kshs.787,581 could not be confirmed.

3. Unsupported Revenue from Rendering of Services

The statement of financial performance reflects revenue from exchange transaction of Kshs.15,000 as disclosed in Note 7 to the financial statements. However, the Management did not provide students enrolment records, invoices to the students and student fees ledgers to support the revenue.

In the circumstances, the accuracy and completeness of revenue from exchange transaction amounting to Kshs.15,000 could not be confirmed.

4. Unsupported Board Expenses

The statement of financial performance reflects Board expenses amounting to Kshs.262,000 as disclosed in Note 10 to the financial statements. However, the payment was not supported by Board minutes, Board meetings agenda notices and attendance register and signed sheets on amounts received by Board members to confirm the validity of the expenditure. In addition, the College did not have a remuneration policy for its Board members that stipulates the allowances applicable and payable to the Board members.

In the circumstances, the accuracy and completeness of council expenses amounting to Kshs.262,000 could not be confirmed.

5. Unsupported Repairs and Maintenance Costs

The statement of financial performance reflects expenditure on repair and maintenance amounting to Kshs.938,500 as disclosed in Note 12 to the financial statements. However, payment vouchers were not supported by invoices, local service/purchase orders and inspection and acceptance as well as completion certificates to confirm validity of the expenditure.

In the circumstances, the accuracy and validity of expenditure on repairs and maintenance amounting to Kshs.938,500 could not be confirmed.

6. Unsupported and Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.788,782 as disclosed in Note 13 to the financial statements. However, the balance was not supported by a cashbook, bank statement, certificate of bank balance and bank reconciliation statement. In addition, the statement reflects Nil cash and cash equivalents opening balance while the statement of cash flows and Note 13 reflects an opening balance of Kshs.1,201 resulting in an unreconciled variance of Kshs.1,201.

In the circumstances, the accuracy, existence and completeness of cash and cash equivalents balance of Kshs.788,782 could not be confirmed.

7. Unsupported Inventory Balance

The statement of financial position reflects inventories balance of Kshs.84,000 as disclosed in Note 14 to the financial statements. However, the balance was not supported by a schedule or end of year stock take report.

In the circumstances, the accuracy, existence and completeness of inventories balance of Kshs.84,000 could not be confirmed.

8. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.57,000,000 as disclosed in Note 15 to the financial statements. However, the balance was not supported by an updated fixed assets register detailing the cost, depreciation, asset tag number, location and the net book values.

In the circumstances, the accuracy, existence, completeness and ownership of property, plant and equipment balance of Kshs.57,000,000 could not be confirmed.

9. Unsupported Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.1,313,903 as disclosed in Note 16 to the financial statements. However, the balance was not supported by a detailed schedule indicating the names of the creditors, contract sum, amount paid and the aging analysis.

In the circumstances, the accuracy, existence and completeness of trade and other payables balance of Kshs.1,313,903 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse 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 issues detailed in **Appendix 1** which remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xix which comprise of Key Entity Information and Management, The Board of Governance, Key

Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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 the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2025 were submitted to the Auditor-General on 3 October, 2025 more than thirty (30) days after the prescribed deadline. This was contrary to The National Treasury Circular Number AG.3/88 Vol.VII (41) dated 4 December, 2024 which directs that all public entities to prepare and submit financial statement by 31 August, 2025 to the Auditor General.

In the circumstances, Management was in breach of the National Treasury Circular.

2. Failure to Prepare Estimates of Revenue and Expenditure

Management did not prepare estimates of revenue and expenditure as required. As a result, the College operated without an approved budget during the year under review. This was contrary to the provisions of Section 68(2)(g) and (h) of the Public

Finance Management Act, 2012 which provides that an accounting officer for a National Government entity shall prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and fiscal policy objectives of the National Government. The accounting officer shall prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Risk Management Policy

During the year under review, Management did not establish or implement a Risk Management Policy to identify, assess, and mitigate potential risks. This lack of a formal policy may have exposed the College to unforeseen challenges, vulnerabilities, and inefficiencies in addressing operational, financial and compliance-related risks. A comprehensive risk management framework would have been critical in safeguarding the College's assets and ensuring long-term sustainability.

In the circumstances, the effectiveness of risk management system at the College could not be confirmed.

2. Lack of Internal Audit Function

The College did not have an internal audit unit during the year under review as required by Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

In the circumstances, the effectiveness of internal controls in the College could not be confirmed.

3. Absence of Annual Work Plan by the Board of Governance

The Board of Governance did not prepare or approve an Annual Work Plan to guide its activities and oversight responsibilities during the year under review. There was no documented plan outlining the scheduled board meetings, committee engagements, performance monitoring activities, policy reviews, training, or other governance functions expected to be undertaken during the year. In addition, several board meetings and expenditures were incurred without reference to any pre-approved board activity schedule or framework.

In the circumstances, the effectiveness of internal controls and overall governance in the College could not be confirmed.

4. Weak Internal Control Systems

Review of the internal control environment at the College revealed that the College did not have in place a code of conduct for employees, human resource manual, finance policy manual, risk management policy, disaster recovery plan/business continuity plan, and debt management policy.

Further, the College did not have key departments necessary to support its operations. These include finance, procurement and Information Communication Technology departments with staff posted to the departments to ensure segregation of duties and that the operations of the College were in compliance with the law.

In the circumstances, the effectiveness of internal controls and overall governance in the College could not be confirmed.

5. Lack of Fixed Asset Register

The statement of financial position reflects property, plant and equipment balance of Kshs.69,338,000 as disclosed in Note 29 to the financial statements. However, the Management did not maintain a fixed asset register. This is contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the existence of effective controls on management of assets could not be confirmed.

6. Failure to Establish an Audit Committee

The College did not have audit committee in place as required by Section 73(5) of the Public Finance Management Act, 2012 which provides that every National Government entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of internal controls and overall governance in the College could not be confirmed.

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

Responsibilities of the Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as 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

25 November, 2025

APPENDICES

Appendix 1: Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1.	2023/2024	Inaccuracies in Revenue from Nonexchange Transactions
2.	2023/2024	Inaccuracies in Cash and Cash Equivalent Balance
3.	2023/2024	Inaccuracies in Depreciation Expense
4.	2023/2024	Inaccuracies in Property, Plant and Equipment Balance
5.	2023/2024	Inaccuracies in Trade and Other Payables Balance
6.	2023/2024	Inaccuracies in the Statement of Changes in Net Assets
7.	2023/2024	Unsupported Revenue from Other Government Entities
8.	2023/2024	Unsupported Employee Costs
9.	2023/2024	Unsupported Board Expenses
10.	2023/2024	Unsupported Repair and Maintenance Cost
11.	2023/2024	Unsupported Cash and Cash Equivalents Balance
12.	2023/2024	Late Submission of Financial Statements
13.	2023/2024	Failure to Prepare Estimates of Revenue and Expenditure
14.	2023/2024	Lack of Asset Register
15.	2023/2024	Lack of Approved Staff Establishment
16.	2023/2024	Lack of Internal Audit Function
17.	2023/2024	Lack of Internal Audit Committee
18.	2023/2024	Weak Internal Controls.

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

	Notes	2024/25	2023/24
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	4,685,517.50	2,482,327.50
		4,685,517.50	2,482,327.50
Revenue from Exchange transactions			
Rendering of services- fees from students	7	15,000	1,000
Revenue from Exchange transactions		15,000	-
Total Revenue		4,700,517.5	2,483,327.50
Expenses			
Use of goods and services	8	1,892,936	1,021,000
Employee costs	9	819,500	840,250
Board Expenses	10	262,000	255,000
Depreciation and amortization expense	11	1,500,000	1,500,000
Repairs and maintenance	12	938,500	361,000
Total Expenses		5,412,936	3,984,250
Net surplus/(deficit) for the year		(712,419)	(1,493,673)

(The notes set out on pages 20 to 27 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 4 were signed by:



Chairman of board

Date. 17.11.2025



Principal

Date. 17.11.2025



Finance Officer

ICPAK No.

Date. 17.11.2025

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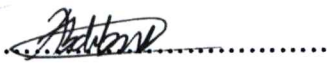
15. Statement of Financial Position as at 30th June 2025

Description	Notes	2024/25	2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	788,782	-
Inventories	14	84,000	-
Receivable from non-exchange transaction			2,483,328
Total Current Assets		872,782	2,483,328
Non-Current Assets			
Property, plant, and equipment	15	57,000,000	58,500,000
Total Non-Current Assets		57,000,000	58,500,000
Total Assets (A)		57,872,782	60,983,328
Liabilities			
Current liabilities			
Trade and other payables from exchange		1,313,903	2,347,679
Net Assets (A-B)		56,558,879	58,635,649
Represented By:			
Accumulated Surplus		(2,076,770)	(1,364,351)
Capital Fund		58,635,649	60,000,000
Net Assets		56,558,879	58,635,649

The Financial Statements set out on pages 1 to 6 were signed by:


.....
Chairman of Board

Date. 24/6/25


.....
Principal

Date. 21/7/2025

.....
Finance Officer

ICPAK No.

Date.

Ijara Technical and Vocational College
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16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023 (<i>previous year</i>)	-	60,000,000	60,000,000
Revaluation gain	-	-	-
Surplus/(deficit) for the year	(1,364,351)	(1,364,351)	(1,364,351)
At June 30, 2024	-	58,635,649	58,635,649
At July 1, 2024 (<i>current year</i>)	-	58,635,649	58,635,649
Revaluation gain	-	-	-
Surplus/(deficit) for the year	(712,419)	-	(712,419)
At June 30, 2025	(2,076,770)	58,635,649	56,558,879

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

Description	Note	2024/25	2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		4,685,517.50	2,485,451.50
Rendering of services- fees from students		15,000	-
Total Receipts		4,700,517.50	2,485,451.50
Payments			
Use of goods and services		1,892,936	1,021,000
Employee costs		819,500	840,250
Board Expenses		262,000	255,000
Repairs and maintenance		938,500	361,000
Total Payments		3,912,936	2,484,250
Net Cash Flows from operating activities		787,581	-
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities			-
Cash flows from financing activities			
Proceeds From Borrowing			-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents			
Cash and Cash equivalents at 1 JULY		1,201	-
Cash and Cash equivalents at 30 JUNE		788,782	1,201

18. (Notes to the Financial Statements)

1. General Information

IJARA TVC is established by and derives its authority and accountability from (TVET) Act 2013. The TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The TVC principal activity is to train highly skilled workforce that is suitable for further professional development.

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 *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 in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *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, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2020, it is applicable in Kenya from 1st July 2025)

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.

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Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash, flows of the TVC.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</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 the TVC 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>
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>
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>
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 TVC's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. *Early adoption of standards*

The TVC did not early – adopt any new or amended standards in the financial year or *the TVC adopted the following standards early (state the standards, reason for early adoption and impact on TVC's financial statements.)*

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 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 TVC recognizes revenue from rendering of services by this basically fees from students.

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 TVC.

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 **27.01.2024**. 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 TVC upon receiving the respective approvals to conclude the final budget. Accordingly, the TVC recorded additional appropriations of *Kshs. 15,474,321* on the FY 2024/2025 budget following the Council approval. The 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

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

c) Taxes

Current income tax

The TVC is exempt from paying taxes as per first schedule of the *income tax* Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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 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 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 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 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 TVC 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 TVC, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently

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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 TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the 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 TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one TVC and a financial liability or equity instrument of another TVC. At initial recognition, the 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 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 TVC's management model for financial assets and the contractual cash flow characteristics of the

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financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the 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 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 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

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estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The 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 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 in *Note xx*.

Financial liabilities

Classification

The 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.

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 *TVC*.

l) Provisions

Provisions are recognized when the *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 *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

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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 *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 *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 *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
- iii) Address the need of society as a whole. The *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 *TVC* will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

The *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 *TVC* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the *TVC* pays fixed contributions into a separate *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

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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 *TVC* regards a related party as a person or the *TVC* with the ability to exert control individually or jointly or to exercise significant influence over the *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 *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 *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 *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

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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 imp rests 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 *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 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 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 *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.

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- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 8.

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.

6. Transfers from other National Government entities

Description	2024/25	2023/24
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	186,955	-
Operational Grant	4,498,562.5	2,483,327.50
Total unconditional Grants	4,685,517.5	-
Total Government Grants and Subsidies	4,685,517.5	2,483,327.50

7. Rendering of Services

Description	2024/25	2023/24
	Kshs	Kshs
Tuition Fees	14,000	-
Admission fees	1,000	1000
Total Revenue from The Rendering of Services	15,000	1000

8. Use of Goods and Services

Description	2024/25	2023/24
	Kshs	Kshs
Tuition expense	620,000	500,880
Activity expenses	90,000	160,000
Travelling and accommodation	146,400	80,120
Electricity	334,049	160,000
Water	702,487	120,000
Total good and services	1,892,936	1,021,000

9. Employee Costs

Description	2024/25	2023/24
	Kshs	Kshs
Salaries and wages	819,500	840,250
Employee Costs	819,500	840,250

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10. Board Expenses

Description	2024/25	2023/24
	Kshs	Kshs
Board Expenses	262,000	255,000
Total	262,000	255,000

11. Depreciation and Amortization expense

Description	2024/25	2023/24
	Kshs	Kshs
Property, plant and equipment	1,500,000	1,500,000
Total depreciation and amortization	1,500,000	1,500,000

12. Repairs and Maintenance

Description	2024/25	2023/24
	Kshs	Kshs
Property	938,500	361,000
Total Repairs and Maintenance	938,500	361,000

13. Cash and Cash Equivalents

Description	2024/25	2023/24
	Kshs	Kshs
Current Account	788,782	1,201
Total Cash and Cash Equivalents	788,782	1,201

14. Inventories

Description	2024/25	2023/24
	Kshs	Kshs
Consumable stores	84,000	-
Total Inventories at lower of Cost and Net Realizable Value	84,000	-

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15. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	12.5%	25%	6%	
At 1 July 2023 (previous year)	-	55,400,000	1,200,000	200,000	3,200,000	60,000,000
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 30th June 2024 (previous FY)	-	55,400,000	1,200,000	200,000	3,200,000	60,000,000
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At 30th June 2025 (current year)	-	55,400,000	1,200,000	200,000	3,200,000	60,000,000
Depreciation And Impairment						
At 1 Jun 2023 (previous year)	-	55,400,000	1,200,000	200,000	3,200,000	60,000,000
Depreciation	-	1,108,000	150,000	50,000	192,000	1,500,000
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 Jun 2024 (current year)		1,108,000	150,000	50,000	192,000	1,500,000
Depreciation	-	1,108,000	150,000	50,000	192,000	1,500,000
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th Jun 2025 (current year)	-	2,216,000	300,000	100,000	384,000	3,000,000
Net Book Values		53,184,000	900,000	100,000	2,816,000	57,000,000
At 30th Jun 2024 (previous year)	-	54,292,000	1,050,000	150,000	3,008,000	58,500,000

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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 (Issued June 2020). The assets were NOT revalued by ministry of housing professional valuers. These amounts were adopted in the financial statements on 2021

10. 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		-	-
Buildings	55,400,000	2,216,000	53,184,000
Plant And Machinery	3,200,000	384,000	2,688,000
Computers and Related Equipment	200,000	100,000	100,000
Office Equipment, Furniture, And Fittings	1,200,000	300,000	900,000
Total	60,000,000	3,212,000	57,000,000

16. Trade and Other Payables

Description	2024/25	2023/24
	Kshs	Kshs
Trade payables	1,313,903	-
Total Trade and Other Payables	1,313,903	-

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17. Cash generated from operations.

Surplus for the year before tax	2024/25	2023/24
	Kshs	Kshs
Adjusted for:	(712,419)	(1,499,923)
Depreciation	1,500,000	1500,000
Non-Cash grants received		
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	
Increase in Inventory	-	-
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Decrease in Payables	-	-
Increase in Payments received in advance		-
Net Cash Flow from Operating Activities	787,581	77

18. Financial Risk Management

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

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

Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impair ed Kshs
At 30 June 2024 (previous year)				
Bank balances	1,201	1,201	-	-
Total	1,201	1,201	-	-
At 30 June 2025 (current year)				
Bank balances	788,782	788,782	-	-
Total	788,782	788,782	-	-

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Financial risk management (continued)

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

The TVC has significant concentration of credit risk on amounts due from
The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Liquidity risk management

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

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

Market risk

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

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

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

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

Capital Risk Management

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

19 .Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

Total	2024/25	2023/24
a) Key Management Compensation		
Directors' emoluments	262,000	255,000
Compensation to Key Management	-	-
Total	262,000	255,000

19. Events After the Reporting Period

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

20. Ultimate and Holding TVC

TVC is a Semi-Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

21. Currency

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

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19. Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in Revenue from non exchange transactions	The management has resolved	Resolved	30 th June 2025
2	Inaccuracies in cash and cash equivalent balance	The management has resolved	Resolved	30 th June 2025
3	Inaccuracies in depreciation expense	The management has resolved	Resolved	30 th June 2025
4	Inaccuracies in property, plant and equipment balance	The management has resolved	Resolved	30 th June 2025
5	Inaccuracies in trade and other payables balance	The management has resolved	Resolved	30 th June 2025
6	Inaccuracies in the statement of changes in net assets	The management has resolved	Resolved	30 th June 2025
7	Unsupported revenue from other government entities	The management has resolved	Resolved	30 th June 2025
8	Unsupported employee costs	The management has not resolved	Not resolved	30 th June 2025
9	Unsupported board expenses	The management has not resolved	Not resolved	30 th June 2025
10	Unsupported repair and maintenance cost	The management has not resolved	Not resolved	30 th June 2025
11	Unsupported cash and cash equivalents balance	The management has not resolved	Not resolved	30 th June 2025
12	Late submission of financial statements	The management has not resolved	Not resolved	30 th June 2025
13	Failure to prepare estimates of revenue and expenditure	The management has not resolved	Not resolved	30 th June 2025
14	Lack of asset register	The management has not resolved	Not resolved	30 th June 2025
15	Lack of approved staff establishment	The management has not resolved	Not resolved	30 th June 2025
16	Lack of internal audit function	The management has not resolved	Not resolved	30 th June 2025
17	Lack of internal audit committee	The management has not resolved	Not resolved	30 th June 2025
18	Weak internal controls.	The management has not resolved	Not resolved	30 th June 2025

Name. **Mr. Abdullahi Abdi Ahmed**
The Principal

Sign-----

Date ...17.11.2025

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20. Appendices

Name of transferring TVC *State Department for Technical and Vocational Training ...*

Name of beneficiary TVC *IJARA TECHNICAL AND VOCATIONAL COLLEGE.....*

Confirmation of amounts received by [NORTH EASTERN NATIONAL TVC] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	15/07/2024	499,827.50			
	23/07/2024	135,127.50			
	02/10/2024	499,827.50			
	21/01/2025	499,827.50			
	14/02/2024	51,827.50			
	4/6/2024	499,827.50			
	9/6/2024	1,999,425			
	17/06/2024	499,827.5			
Total		4,685,517.50			

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

Head of Accounts Department - Disbursing TVC

Name Sign Date17.11.2025

Head of Accounts Department - Beneficiary TVC:

Name *Abdulkarim* Sign *Abdulkarim* Date.....17.11.2025

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