

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

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BY:

Whip

BY: AT
TABLE:

Irene Nduku

ON

**KENDEGE TECHNICAL AND VOCATIONAL
COLLEGE**

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



KENDEGE 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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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
PAYE	Pay as you earn
KUCCPS	Kenya universities and colleges central placement
TVETA	Technical and Vocational Education and Training Authority
KATTI	Kenya Association of Technical Training Institutions

B. Definition of Key Terms

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

2. Key Entity Information and Management
(a) Background Information

Kendege TVC is situated in Kuria East Sub-County within Migori County, 3 kilometres from Kehancha Town in the Nyanza region of Kenya. It is approximately 381 kilometres southwest of the Nairobi City. The land currently occupied by the College was previously set aside as a buffer zone between Kuria and Maasai communities following cattle rustling between the two communities. In 1972 the Kuria community leaders demarcated the 108 acres of land for establishing Abakuria Technical School. The College eventually was started in 2014 as one of the 60 new technical institutions that the Government of Kenya (GOK) recommended to be constructed in every constituency. The intention was to increase access to technical education to ensure that all youths are equipped with employable skills in tandem with the emerging market demand.

Upon completion, the College consisted of a double storey tuition block hosting two (2) workshops, eight (8) classrooms, six (6) administration offices, two (2) instructors' offices, a library, lecture room, staffroom, drawing room, staff kitchen, 5 Makeshift Classroom and washrooms. Owing to its strategic location, the GOK has earmarked it as a centre of excellence in mechanical engineering. KTVC received its first students in September 2019. It has so far expanded to offer training programmes at diploma, certificate and artisan certificate levels in the following areas:

- Agriculture and applied sciences
- Automotive engineering
- Building and civil engineering
- Business studies
- Electrical and electronics engineering
- Fashion design & clothing technology
- General agriculture
- Hairdressing & beauty therapy.
- Information Communications Technology (ICT)

- Mechanical engineering
- Social work and community development

(b) Principal Activities

The core mandate of Kendege Technical & Vocational College is to offer training to Students in technical courses and business courses as per the industry needs as examined by KNEC, NITA & TVET CDACC

1. VISION

A College of choice in the development of technical and vocational skills.

2. MISSION

To offer quality training in collaboration with industry to produce competent graduates.

3. CORE VALUES

- ✓ Co-operation
- ✓ Respect and Tolerance
- ✓ Integrity
- ✓ Creativity and Innovativeness
- ✓ Professionalism

4. MOTTO

Competency and Honesty

(a) College Governance

Kendege Technical and Vocational College is managed by the Board of Governors, appointed by The Cabinet Secretary in charge of Education. The B.O.G. provides leadership in policy direction and ensures that the institutes programmes and activities are in line with its mandate and set objectives. The principal is the secretary to the Board and executes all policies in line with the institute's core mandate. The principal is assisted by the deputy principal.

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Otara Nickson Oreti
2.	Deputy principal Finance And Administration	Mr. Kenneth Kahi Kinyangi
3	Deputy principal Academics	Mr. Rotich Erick Kipkoech
4	Registrar (s)	Mr. Chacha Peter Mohoria
5	Dean of students	Mr. Erick Ogega Maranga
6	Head of Finance	CPA. Rioba Samwel Okerosi
7	Head of Procurement	Mrs. Jackline Ghati Machera
8	Head of Internal Audit	CPA. Isaiah Masiko

(e) Fiduciary Oversight Arrangements

Board Committees

Name of the Committee	Members
General purpose and Finance Committee	1. CPA Gabriel Mogaya - Chairperson 2. Mr. Benard Masita Onserio - Member 3. Mr. Handson Gichana -County director TVET
Education Research and Training Committee	1. Mr. Owili OL. Maurice - Chairperson 2. Prof. Alfred Anakalo Shitandi - Member 3. Mr. Handson Gichana -County director TVET
Audit and Risk Committee	1. Ms Leah Atieno Auma - Chairlady 2. Prof. Alfred Anakalo Shitandi - Member 3. Ms Sandra Boke Nyangoke - Member 4. Mr. Handson Gichana -County director TVET

(f) Entity Headquarters

Kendege Technical and Vocational College
P.O. Box 37-40413
Kehanacha-Kenya
Kehancha-Kegonga Highway
Kuria East.

(g) Entity Contacts

Telephone: (254)742432870
(254)742432926
E-mail: info@kengegetvc.com
kendegetvc@gmail.com.
Website: www.kendegetvc.ac

(h) Entity Bankers

Kenya Commercial Bank
P.O B.O.X 74-40413
Suna Migori.
A/C NO.1280646055

Kenya Commercial Bank-Kisii West
P.O B.O.X 4517-40200
Kisii.
A/C NO. 1259204170

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

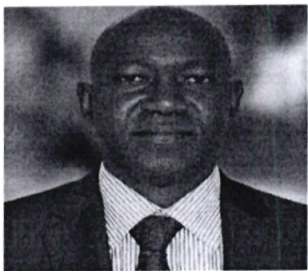

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

Kendege Technical and Vocational College.


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4. The Council/Board of Governors



Board Members

No.	Member/ Director	Details
1.	<p>Prof. Peter Mwita Nyamuhanga. BOG Chairperson</p>  <p>PHD, MSC, BSC.</p>	<p>Date of birth: 1968 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification PhD in Statistics Work Experience: Vice Chancellor (Research, Innovation and Linkages) and full Professor of Statistics at Friends Kaimosi University. Was founding Chairman of the Kenya National Bureau of Statistics Board, founding Chairman of Kenya National Statistical Society and Council member of Multimedia University of Kenya.</p>
2.	<p>Sandra Boke Nyangoko Member</p>  <p>Qualification BSc. Mechatronics Engineering 1. Registered Graduate Engineer</p>	<p>Date of birth: 13th April 1984 Appointment: 18th January 2023 Inauguration: 21st February 2023 Qualification: BSc. Mechatronics Engineering Engineering Board of Kenya Graduate Engineer. Work Experience: 1. July 2021-Date DrunTech Development E.A Ltd Operations Manager 2. Jan 2018-June 2021 Sanergy Ltd Technical lead & procurement partner (Inbound</p>


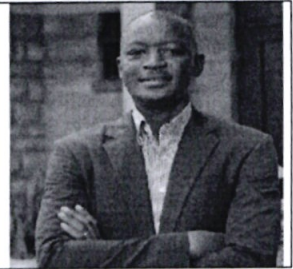
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	<p>Engineer's Registration Board Serial No. B5634</p> <p>2. Diploma in Supply chain management Alison</p> <p>3. Certified Tower Climbing Spectrum Engineering Ltd.</p>	<p>Customer Success)</p> <p>3. April 2016-Dec 2017 DrunTech Development E.A Ltd Technical & Procurement Lead</p> <p>4. Jan 2009-March 2016 Mather & Platt (K) Ltd Fire systems Manager Project Engineer</p>
<p>3.</p>	 <p>Mr. Maurice Livingstone O. Owili Member</p> <p>Master of Philosophy (M.Phil.)</p>	<p>Date of Birth: 10th August, 1968</p> <p>Appointment: 18th January 2023</p> <p>Inauguration: 21st February 2023</p> <p>Qualification On-going PhD in Environmental Planning and Management Master of Philosophy in Environmental Studies (Environmental Information Systems) Bachelor of Technology in Education (Btech) Mechanical Engineering</p> <p>Experience Coordinator Performance Contract, ISO and Strategic Planning (2019 – Date) Coordinator Performance Contract, ISO, Resource Mobilization and Strategic Planning (2013 – 2019) Deputy Principal – Bushiangal T.T.I (2012 -2013) Deputy Principal – Ramogi Institute of Advance Technology (RIAT) (2011 – 2012) Deputy Principal – Moi Institute of Technology (MIT) (2007 – 2011)</p>


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<p>4.</p>	<p>LEAH A. AUMA Member</p>  <p>Qualification:</p>	<p>Date of birth: 6th October 1982 Appointment: 18th January 2023 Inauguration: 21st February 2023</p> <p>Qualification: Msc Entrepreneurship Jomo Kenyatta University of Agriculture and Technology. Bsc Biochemistry and Molecular Biology (JKUAT)</p>
	<p>Msc Entrepreneurship Jomo Kenyatta University of Agriculture and Technology.</p>	<p>Extensive training on MSME financing and development, Women World Banking (IFC), credit risk management, Financial statement analysis and Leadership essentials and development.</p> <p>Work Experience:</p> <p>Seasoned banking with fourteen years' experience in both traditional and Fintech banking, with a proven track record of impactful change through sustainable business practices. Currently serving as a Branch Manager, KCB Bank Kenya Limited charged with managing overall branch operations, delivery of excellent customer experience, relationship manager, portfolio management, budgeting, internal controls and risk management and team leadership.</p>
<p>5.</p>	<p>Alfred Anakalo Shitandi Member</p>  <p>Qualification PHD.</p>	<p>Date of birth: 20th March 1963 Appointment: 18th January 2023 Inauguration: 21st February 2023</p> <p>Qualification: PhD Work Experience: 32 years in Education Administration and Teaching and Research at University level</p>

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<p>6.</p>	<p>Benard Onserio Masita Member</p>  <p>Qualification 1. Master of Information Systems 2. BBAM – Mgt Science 3. HND Mgt Infor. Systems</p>	<p>Date of birth: 15th February 1973 Appointment: 18th January 2023 Inauguration: 21st February 2023</p> <p>Qualification:</p> <p>Work Experience: 25 Years ICT</p>
<p>7.</p>	<p>Name: CPA Chacha Mogaya Member</p>  <p>Qualification Master's in business administration – Finance Option</p>	<p>Date of birth: 17th April 1978 Appointment: 18th January 2023 Inauguration: 21st February 2023</p> <p>Qualification: MBA (finance) Bcom – Finance, CPAK</p> <p>Work Experience: Chacha is currently working for BOMA a local NGO operating in the dry lands of Africa. He is based at the headquarters in Nairobi as the Director of Finance and Administration responsible for ensuring the effective and efficient financial, administrative, and operational support functions. Previously he has held the following position with BOMA 2018 to 2020 as a Finance Manager, 2020 to 2022 Finance and Administration Manager. Chacha has worked as the Country Finance Manager while at the Norwegian Refugee Council for South Sudan and Yemen. Chacha has a lot of experience within the region and horn of Africa</p>




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8.	<p>Mr. Handson Nyaberi Gichana County Director TVET</p>  <p>Master of Education in Curriculum Studies and PHD</p>	<p>Year of Birth: 20-12-1977 Qualification and Experience:</p> <ul style="list-style-type: none"> • Master of Education (Educational Administration)- University of Nairobi • Bachelor of Education (B.Ed) – Kenyatta University <p>Working experience: 25 years</p> <ul style="list-style-type: none"> • Teacher (Gusii Institute of Technology) • Technical accreditation & Quality Assurance Officer (Ministry of Education) • Director Vocational and Technical Education (Ministry of Education) • Regional Director TVET (Migori & Homabay counties)
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9.	<p>Mr. Otara N. Oreti</p>  <p>Principal/Secretary BOG</p>	<p>Year of Birth: 12/01/1971</p> <p>Qualifications: Master's Degree in Banking and Business Economics Bachelor of Commerce, PGDE Senior Management Course (SMC)</p> <p>Experience Principal/ BOG Secretary -Kendege Technical and Vocational College</p>
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4. Key Management

No.	Member	Details
1.	<p>Mr. Otara N. oreti</p>  <p>Principal/BOG Secretary</p>	<p>The Principal is the Chief Executive Officer responsible for all operations. She is charged with College improvement and planning, Strategic Planning, Staff Development, leadership and Compliance.</p> <p>Mandatory Signatory to all bank accounts and Secretary to the Board of Governors.</p>
2.	<p>Mr. Kenneth Kahi Kinyangi</p>  <p>Deputy Principal in-charge of Administration. BS Agricultural Extension and Education</p>	<p>Mr. Kenneth Kahi Kinyangi deputizes the principal and he is in charge of curriculum implementation and discipline.</p> <p>He ensures academic time tables are made in time. Also ensures that the lessons that appear on the time table are adequately taught.</p>
	<p>Mr. Erick Rotich</p>  <p>Deputy Principal in-charge of Academics.</p>	<p>Masters in Mechanical Engineering Advanced Thermodynamics & Fluid Mechanics (University of Nairobi).</p> <p>Bachelor of Industrial Engineering (Egerton University),Post Graduate Diploma in Education Maths & Physics (Kisii University),Diploma in Chemical Engineering (Eldoret National Polytechnics)</p> <p>Mr. Erick Rotich is the Deputy Principal in charge of Academics.</p>

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3.	<p>Mr. Peter Mohoria</p>  <p>Masters in Information Science (ongoing) BSC Computer Science CISCO Essentials</p>	<p>Mr. Chacha ensures that term programmes, students who apply for courses in the institute meet the relevant requirements for admission. He is also in charge of marketing of institute courses to ensure increase in enrolment.</p>
4.	<p>Mr. Erick Maranga Ogega</p>  <p>Ag. Dean of Students BSc. Electrical engineering and Electronics</p>	<p>Mr. Erick Maranga Ogega is the Dean of Students who is in charge of student affairs i.e. processing boarding issues like accommodation and disciplinary cases.</p>
5.	<p>CPA Rioba Samwel</p>  <p>Finance Officer Bcom –Accounting ICPAK. CIA.</p>	<p>CPA Rioba is in charge of Institution finances, preparing financial reports and give financial advisory to the Management.</p>

5. Chairman's Statement

I have the pleasure to present an overview of the institute's performance for the financial year ending 30th June 2025. Notwithstanding the challenges facing Technical and Vocational colleges, I am proud to declare that Kendege Technical and Vocational College continues to implement and focus on its mission and objectives.

Academically, the institute has made excellent progress and it's clear that the institute's long-term strategic plan is now yielding results. We have improved and increased examinable courses, training materials and equipment and human resource capacity, all these with the aim of providing affordable training programme delivery as we adhere to quality assurance standards so as to satisfy industry and community needs.

These achievements reflect the enormous hard work of our staff over a period of time. They also reflect the commitment of Board of Governors to the academic strategy and to securing the institute's financial sustainability.

I wish to finally thank the Government of Kenya, Ministry of Education state department of TVET, fellow Board Members, management and staff for their dedication and participation over the financial year in striving to make Kendege TVC globally competitive Technical and Vocational training college for trainees in the region.



PROF. PETER NYAMUHANGA MWITA
BOARD CHAIRPERSON
ON BEHALF OF BOARD OF GOVERNORS

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6. Report of the Principal

Presented here is the yearly report and financial statements of Kendege TVC for the year ended 30th June 2025 as required by the Public Finance Management Act, 2012.

Kendege TVC's performance during the year under review is impressive. The Government capitation still remains as the institute's main source of income.

The College has continued with its core business of disseminating knowledge through, training and innovation. The current trainee population has increased from 705 to 850 and is expected to increase further to 1100 by the end of the next financial year.

Development partners projects

Currently there is 8 class room block that is on-going development project. However, we have Bee-keeping, and Animal rearing that we are currently involved in. We also have constructed 5 makeshift class room within the college.

Income.

Kendege Technical and Vocational College received a total of Ksh. **35,685,948**. Out of which; Ksh 5,462,400 was the amount received from capitation, Ksh 539,280 from maize farming and hire of Shamba ,ksh 29,672,276 as rendering services and School id of Ksh.11,992.

Expenses

The Technical College incurred a total of Kshs **28,514,644** in recurrent expenditure for the financial year 2024/2025.

Staff Members

Population for both teaching and the non-teaching staff stood at 72, at the close of fourth quarter for the financial year 2024/2025 and is expected to rise for both academic and administrative staff in the financial year 2025/2026.

Gender Distribution; Male 53 and Female 19.

Conclusion

On behalf of Kendege TVC management and staff, I wish to take this opportunity to thank the Government, our Development partners and all Stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the College Board of Governors to help provide, policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the college.

Thank you.



OTARA. N. ORETI
PRINCIPAL/ C.E.O.



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. Kendege Technical and Vocational College had the following strategic pillars/issues/themes and objectives in the FY 2024/2025.

Cultivate dynamics training experiences that evolve with the market demands. Kendege Technical and Vocational College cultivated its training experiences to the market demand dynamics, by focusing on trainings that goes with market trend both locally and globally.

Enhance students' enrolment and retention, Kendege Technical and Vocational College had devised on various ways of students enrolment and retention, since there is a lot of competition for other higher and tertiary learning institutions retaining students sometimes become a bit challenge. Kendege has ensured that all the enrolled students get quality training, learning materials and conducive learning environment.

Advancing technical training through partnerships and alliances with external stake holders, Kendege Technical and Vocational College has been partnering and making alliances with stake holders to advance technical training through exchange of programmes with stakeholders.

Improve on the infrastructure and learning environment to strengthen Kendege Technical and Vocational College financial sustainability, currently we have built 5 makeshift classrooms this will accommodate the increase number of students and also we are building 8 classroom tuition block. Kendege Technical and Vocational College has bought modern training materials. Utilize modern technology to improve operation processes and promote an environment of innovation.

Retain a competent and motivated workforce, Kendege Technical and Vocational College has a draft of human resource policy that provides guidelines on how to recruit, motivate and retain a competent staff. By doing this Kendege Technical and Vocational College has been able to recruit competent staff and retain them by providing them with a good working environment, recognising their effort and appreciating the employees this has made employees to remain loyal to the institution.

8. Corporate Governance Statement Board meetings held

Kendege TVC board held a total of sixteen (20) sittings both full board and committee in the FY2024-2025. The attendance of those sittings was good at 96 per cent. The Kendege TVC board achieved most planned activities. However, some of the planned activities were not implemented due to inadequate funds available.

Succession plan

Three months to the expiry, a proposal of the board will be done by nominations. As at the time of reporting the institute had done a proposal to the nominees expected to take office immediately, they are approved by the minister for Education.

Service delivery charter

Kendege TVC has an approved service delivery charter in place.

Roles and functions of the board

The Kendege TVC board has a role to plan for the college activities and oversight the implementation of the same.

Induction and training

Our college and other TVC and TTI in Migori County undertook Training in CDACC/CBET curriculum at Maberu TTI in October 2024, where 35 trainers were trained.

Board and member performance

During the FY2024/2025, The Kendege BOG held nine meetings. The major achievements include;

- Improvement in teaching and learning facilities.
- Increased enrolment.
- Developed a five-year strategic plan
- Developed institution's policies

Conflict of interest

In the FY2024/2025, the Kendege TVC board was asked to declare conflict of interest any time they had a meeting but none was declared.

Board remuneration

Kendege TVC board utilised a total of Ksh 1,203,790. This total comprises of sitting allowances plus transport allowances paid during the financial year

Ethics and conduct as well as governance audit

The board members adhered to public officer's ethics Acts 2003 while performing their duties during the financial year under review.

Governance audit

Kendege TVC developed a strategic plan which is now in use. Hence it can now be used as a tool to measure

9. Management Discussion and Analysis

Key projects and investment decisions the entity implemented

Kendege technical and vocational college implemented three key projects that contributed to generation of additional income. These projects are:

Maize Farming.

The College piloted on maize farming by planting on 10 acres piece of land. The College invested Ksh.318,810 into the project and was anticipating for good returns. However due to the challenges of weather issues, the institute managed to realize Ksh.379,280 . For better returns in future, the college intends to employ better farming and management practices in the next financial year.

SECTION D

Major challenges facing the entity

At the moment, Kendege Technical and Vocational College is experiencing the following risks:

- Inadequate infrastructure to support increasing number of students
- Unreliable power supply
- Inadequate learning space
- Lack of accommodation for students No secure fence
- Inadequate staffing (Teaching and Non-Teaching)

SECTION E

Material arrears in statutory/ financial obligations

Kendege TVC Complied adequately to the deduction and remittance of the statutory deduction to the relevant authorities for the better and benefit of its BOG staff. We have arrears of NSSF. which was as a result of low remittance of from February 2023 to June 2025

SECTION F

The entity's financial probity and serious governance issues

There has been no any financial probity by the following bodies at Kendege technical and vocational college:

1. Board audit committee
2. Internal audit
3. External audit or even
4. National government providing oversight.

There is no conflict of interest by the top management of the institution or even any interest that may thwart proper governance of the institution that may lead to under performance of the board in place.

10. Environmental and Sustainability Reporting Statement

Kendege TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first by delivering relevant services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

Achievement

- Increased student enrolment.
- Fair KNEC examination result.
- Increased learning material (welding machine, Sewing machine and dead motor engine)
- Good gender balance in employment.
- Equipping the library with text books.
- Inclusivity in terms of employment.
- Establishing a library and equipped it with computers for online learning and deploying staff to man it.

Failures

- Inability to initiate viable resource mobilization
- Inability to collect 100% school fee.
- Lack of adequate infrastructural development.
- Inability to set up makeshift workshop for engineering departments.

Environmental performance

- The college planted more than 5,000 tree seedlings update.

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- The college procured one grass cutter which is used to maintain the college ground.

Employee welfare

- Currently the college has no human resource policy. The current gender ratio is 6:5 in favor of men which is within the approved legal standards.
- The human resource development is allowed for the staff where trainers and support staff are allowed to further their studies.
- Trainers are appraised annually as per the public service performance appraisal system.
- The building is equipped with fire extinguishers in strategic

Responsible competition practice.

All interested parties who were interested to do business with the institution were given an opportunity and the best out of those interested were hired for service.

The institution has no political favorites but welcomed all who had support to give to the institution without discrimination.

Product stewardship

The Kendege students are given the freedom to do courses of their choice and trainers ensure they have received adequate training in readiness for exams and industry.

Responsible marketing and advertisement

Kendege TVC carried out aggressive marketing of the college in Kuria East and West sub counties through FM radio Station (Radio Togotane). Further there was distribution of brochures, posters to the residents in market places and career fairs/ exhibitions.

We advertised and recruited suppliers on competitive basis through posters, WhatsApp and the college website

The Area MP Hon. Kitayama Maisori assisted to mobilize parents to bring their student to school by paying kshs.13,000 per student admitted in may intake

Responsible Supply chain and supplier relations

We also maintained good relationship by adhering to Public Procurement and Disposal Act of 2015.

In the FY 2024-2025, we sourced for quotations and we chose the best among those quotations to supply goods and services that were required. Once goods were received, and the user department was satisfied we promptly paid the suppliers.

Corporate Social Responsibility / Community Engagements

- During bereavement in the community the college sent representations and financial support.
- The Kendege College family has assisted some students who are facing financial challenges.
- The College has established a demonstration farm from which members of the community and students learn.

11. Report of the Board of Governors

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


Board of Governors

The members of the Board who served during the year are shown on page vii. During the year 2024/2025 our Region was split into 2, Kisii Region and Migori Region hence Director Dr, John Osoro was assigned Kisii & Nyamira Region while Mr. Handson Gichana was Assigned Homa Bay & Migori Counties with effective from quarter 4.

Auditors

The Auditor General is responsible for the statutory audit of the Kendege Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Fn Mabeya Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2023, and The Auditor General did the other years including 2023/2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board/Council
Nairobi
Date:

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

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

The Council members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* 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 the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

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

Approval of the financial statements

The TVC financial statements were approved by the Board on 28/08/2025 and signed on its behalf by:



Name: Peter Nyamuhanga
Chairperson of the Board/Council



Name: Otara N. Oreti
Accounting Officer/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 KENDEGE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kendege Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kendege 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 Standard Accrual Basis and the Public Finance Management Act, 2012, and comply with the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements and Un-supported Balances

Review of the financial statements revealed the following inaccuracies:

- i. The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.39,184,845 which differs with the re-computed balance of Kshs.40,299,408 (calculated as shown below), resulting in an unreconciled variance of negative Kshs.1,114,563:

Particulars	Amount (Kshs.)
Current portion of Receivables from exchange transactions balance as at 30 June, 2024	38,703,600
<i>Add: Rendering of services-fees from students earned in 2024/2025 – Statement of financial performance</i>	31,268,084
<i>Less: Rendering of services-fees from students received in 2024/2025 – Statement of cash flows</i>	-29,672,276
Re-Computed receivables from exchange transactions balance as at 30 June, 2025	40,299,408

- ii. The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.4,194,418 which differs with the re-computed balance of Kshs.10,982,355 (calculated as shown below), resulting in an unreconciled variance of negative Kshs.6,787,937.

Particulars	Amount (Kshs.)
Trade and other payables from exchange transactions balance as at 30 June, 2024	761,035
<i>Add: Total expenses, less depreciation incurred in 2024/2025– Statement of financial performance</i>	38,735,964
<i>Less: Total payments in 2024/2025 – Statement of cash flows</i>	-28,514,644
Re-Computed trade and other payables from exchange transactions balance as at 30 June, 2025	10,982,355

- iii. Note 29 to the financial statements on cash generated from operations reflects a cash outflow of Kshs.695,703 as decrease in receivables instead of increase in receivables. Further, the amount differs with the re-computed amount of Kshs.481,245, resulting in an unreconciled variance of Kshs.214,458. As a result of this misstatement, the re-computed net cash flow from operating activities amounts to Kshs.7,385,762 which differs with the reported Kshs.7,171,304.

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

2. Unsupported and Long Outstanding Receivables from Exchange Transactions Balances

Reflected in the statement of financial position, and as disclosed in Note 17 (a) to the financial statements, is current portion of receivables from exchange transactions balance of Kshs.39,184,845 whose detailed ageing analysis and supporting documents were not provided for audit review. Additionally, included in this balance is kshs.38,703,600 which had been outstanding for over two (2) years.

Further, reflected in the statement of financial position, and as disclosed in Note 19 to the financial statements, is receivables from non-exchange transactions balance of Kshs.20,752,245 whose detailed ageing analysis and supporting documents were not provided for audit review. In addition, as disclosed in Note 20 (a) to the financial statements, the balance of Kshs.20,752,245 includes Kshs.16,494,645 which had been outstanding for over two (2) years.

Additionally, evidence of efforts made to recover the balances was not provided for audit. Moreover, the College did not have a credit policy to guide on debt recovery, provision for bad and doubtful debts or bad debts write off. Also, there was no reconciliations for receivables paid and due done in the year under review.

In the circumstances, the recoverability and, therefore, accuracy of the reported receivables from exchange and non-exchange transactions could not be confirmed.

3. Unsupported and Long Outstanding Trade and Other Payables

Reflected in the statement of financial position, and as disclosed in Note 27 to the financial statements, is trade and other payables balance of Kshs.4,194,418. However, the supporting ledger, detailed ageing analysis and relevant documents were not provided for audit review. Additionally, included in the balance is Kshs.1,622,726 which had been outstanding for over two (2) years, and Management did not provide reconciliations for trade and other payable paid and or due.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.4,194,418 could not be confirmed.

4. Unsupported Intangible Assets

The statement of financial position, and as disclosed in Note 24 to the financial statements, reflects intangible assets balance of Kshs.787,500 which was not supported

by licenses and service level agreements. Also not disclosed in this balance are other software in the College's possession.

In the circumstances, the accuracy and completeness of the intangible assets balance of Kshs.787,500 could not be confirmed.

5. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position, and as disclosed in Note 15 to the financial statements, reflects cash and cash equivalents balance of Kshs.14,230 which comprises Kshs.3,831 and Kshs.10,399 held in two (2) bank accounts at Kenya Commercial Bank. However, the supporting bank reconciliation statements, including detailed schedules of reconciling items, approved cash book extract as at 30 June, 2025, and board of survey reports were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,230 could not be confirmed.

6. Unsupported Board of Management Expenses

The statement of financial performance reflects Board/council expenses amount of Kshs.1,203,790 as disclosed in Note 12 to the financial statement. However, Board members appointment letters, notices to the meetings, the approved rates for allowances and the eligibility criteria, Board meetings minutes and duly signed attendance registers to support the expenditure among other required documents were not provided for audit review. In addition, there was no evidence to show that Pay as You Earn (PAYE) was deducted from the allowances and remitted to the Kenya revenue Authority. It was also not clear why the Chairman's honoraria were not disclosed in the financial statements.

In the circumstances, accuracy and completeness of the Board/Council expenses amount of Kshs.1,203,790 could not be confirmed.

7. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position, and as disclosed in Note 22 to the financial statements, reflects property, plant and equipment balance of Kshs.127,993,686 whose supporting annual assets inventory report, detailed asset register and property plant and equipment schedule itemizing all the assets per category, payment vouchers, additions schedule, ownership documents, assets register and respective asset ledgers were not provided for audit.

Further, the balance of Kshs.127,993,686 includes work in progress balance of Kshs.6,210,000 which relates to the construction of classrooms at a total cost of Kshs10,000,000. Review of contract documents revealed that the project was to be completed by February, 2025. However, as at the time of audit in in November, 2025, the project was not complete. Further, the completion status, approved bills of quantities, extension letters among other requisite documentations were not provided for audit.

Also, as reported in the previous year, a stakeholders meeting held on 30 October, 2020 resolved that a total of 34 acres be hive of from the College's land and be given to Kenya

prisons (20 acres) and Kendege Primary School (4 acres) and secondary school (10 acres). However, ownership of these hived off parcels of land had not been transferred as at the time of audit on 25 March, 2025.

Additionally, review of document provided for audit revealed that the College had not insured its assets, as required by Paragraph 80 (3) of the National Treasury Guidelines on Asset and Liability Management in the Public Sector, March 2020.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.127,993,686 could not be confirmed. Also, Management was in breach of the law.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total receipts budget of Kshs.62,350,280 and actual on comparable basis amount of Kshs.35,685,948, resulting in underfunding Kshs.26,664,332 or 43% of the budget. The statement also indicates that there was un-approved or unbudgeted capital expenditure of Kshs.7,363,500.

Moreover, the College did not maintain a vote book, contrary to Regulation 52(1)(d) of the Public Finance Management (National Government) Regulations, 2015, which states that when the authority to incur expenditure is issued by the Ministry or State Department or Agency, the allocation shall be entered as a commitment in the Ministry's or State Department's or Agency's master vote book so as to ascertain at all times the availability of uncommitted funds.

The under-funding affected the planned activities and may have impacted negatively on learning in the College. Also, Management was in breach of the law for not maintaining a vote book. Further, the regularity of the unbudgeted for capital expenditure could not be confirmed.

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the matters listed in **Appendix 1** remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xxii which comprises Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermine Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with the Law on Ethnic Diversity in Staffing

Audit review of employees' records revealed that out of the sixty-eight (68) employees of the College, comprising thirty-eight (58) teaching staff and seven (10) non-teaching staff, thirty-one (31) or 46% were from one ethnic community. This was contrary to Section 7(1)

and Section 7(2) of the National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and ensure that not more than one-third of its staff are from the same ethnic community.

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

2. Lack of County Governor Representative in the Board of Management

Review of the Board of Governors records revealed that the composition of the Board did not include a representative of the County Governor of Migori County where the College is located. This was contrary to Section 1(2)(c) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located.

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

3. Improperly Constituted Board of Governors

Review of the Board of Governors records revealed that the composition of the Board did not include a representative of the County Governor of Migori County where the College is located. This was contrary to Section 1(2)(c) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located. Further, the Board of Governors (BOG) members possessed only acceptance letters and lack formal appointment letters for the year under review.

In the circumstances, the Board of Governors was in breach of the law and the effectiveness of governance in the College could not be confirmed.

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 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Approved Staff Establishment and Human Resource Manual

The College however did not have an approved staff establishment, contrary to the Ministry of Education: State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 on staff establishment and justification for Technical and Vocational Education and Training (TVET) Institutions, which requires the institutions to develop a staff establishment with, clear justifications for consideration and approval by the Public Service Commission. Also, the college has no HR Manual and established HR office for HR recruitments and other HR functions. In the circumstances, the College is in breach of the Law. Further, the College did not have Human resource department or function in place.

In addition, there were inadequate internal controls over staff management, including the oversight of leave rosters, confirmation of staff attendance, and human resource planning, among other critical aspects of human resource management.

In the circumstances, the effectiveness of internal controls on human resource management in the College could not be confirmed.

2. Non-Functional Human Resource Department

It was noted that the College did not have a functional Human Resource department, which is necessary for staff enrollment and motivation. While the functions of human resources were documented in the policy, there were no office bearers accountable for these functions.

In the circumstances, the effectiveness of governance on human resource could not be confirmed.

3. Cash and Cash Equivalents - Weaknesses in Recording and Management

Review of internal controls over cash and cash equivalents revealed the following weaknesses:

- i. Revenue/ income collections was spent at source without proper approvals. No vote book and vote controls hence misclassifications and weak budgetary controls.
- ii. The College had two (2) accounts at Kenya Commercial bank, Kehancha branch. However, there was no documentary evidence provided to confirm the approval by the Principal Secretary Ministry of Education to open the accounts.
- iii. There was no evidence that copies of bank reconciliation statements were sent to the relevant authorities on timely basis in line with the law.
- iv. The College applied standing imprest system in some cases. However, there was no evidence of approved cash floats and reimbursement system was being applied.

- v. It was noted that some procurements were done through cash imprests or direct payments/claims or reimbursements which may have been abused or used to circumvent the procurement laws. Although most of the procured items were within the low-cost procurements (Kshs.50,000 and below) range, they were rampant across all the departments and were done to split procurements. Further, the payments/receipts or invoices were not supported by ETR receipts casting doubts on their authenticity.

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


Auditor-General's Responsibilities for the Audit

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

28 November, 2025

APPENDICES

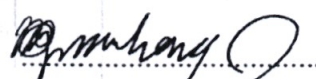
Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Transfers from Other National Government Entities Amount
2	2023/2024	Unsupported Travelling and Accommodation Expenses
3	2023/2024	Unsupported Employee Costs
4	2023/2024	Unsupported Board Expenses
5	2023/2024	Long Outstanding and Unsupported Receivables from Exchange Transactions Balance
6	2023/2024	Unsupported Receivables from Non-Exchange Transactions Balance
7	2023/2024	Unconfirmed Valuation of Inventories
8	2023/2024	Unconfirmed Property, Plant and Equipment Balance
9	2023/2024	Non-compliance to Prescribed Financial Reporting Framework
10	2023/2024	Budgetary Control and Performance
11	2023/2024	Late Submission of Financial Statements to the Auditor-General
12	2023/2024	Non-compliance with the Law on Ethnic Diversity in Staffing
13	2023/2024	Improperly Constituted Board of Governors
14	2023/2024	Irregular Procurements - Makeshift 5-Classroom House
15	2023/2024	Unsupported Rendering of Services – Fees from Students Amount
16	2023/2024	Lack of Approved Staff Establishment and Human Resource Manual
17	2023/2024	Risk Management- Lack of Enterprise-wide Risk Management (ERM) and Risk Policy
18	2023/2024	Lack of a Procurement Function
19	2023/2024	Non-Functional Human Resource Department
20	2023/2024	Information, Communication and Technology (ICT) Environment
21	2023/2024	Ineffective Petty Cash and Imprest Management System

Kendege Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 202

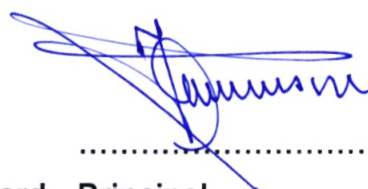
14. Statement of Financial Performance For The Year Ended 30 June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	9,720,000	15,591,491
		9,720,000	15,591,491
Revenue from Exchange transactions			
Rendering of services- fees from students	7	31,268,084	19,581,867
Sale of goods	8	379,280	962,150
Rental Revenue(shamba Hire)	9	160,000	-
Revenue from Exchange transactions		31,807,364	20,544,017
Total Revenue		41,527,364	36,135,508
Expenses			
Use of goods and services	10	19,889,903	21,214,884
Employee costs	11	10,568,434	3,956,244
Board /Council Expenses	12	1,203,790	1,844,000
Depreciation and amortization expense	13	6,787,937	-
Repairs and maintenance	14	285,900	1,835,540
Total Expenses		38,735,964	28,850,668
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		2,791,400	7,284,840



Chairman of Council/Board
 Prof. Peter Nyamuhanga

Date



Principal
 Otara N. Oreti

Date



Finance Officer
 Rioba Samuel
 ICPAK No 31723
 Date

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

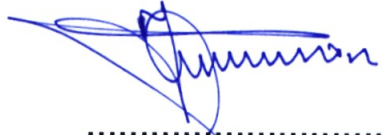
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	14,230	206,426
Current portion of receivables from exchange transactions	17	39,184,845	38,703,600
Receivables from non-exchange transactions	19	20,752,245	16,494,645
Inventories	21	1,058,690	189,119
Total Current Assets		61,010,010	55,593,790
Non-Current Assets			
Property, plant, and equipment	22	127,993,686	128,305,623
Intangible assets	24	787,500	-
Investment property	25	40,000	40,000
Biological Assets	26	1,110,000	1,010,000
Total Non-Current Assets		129,931,186	129,355,623
Total Assets (A)		190,941,196	184,949,413
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	27	4,194,418	761,035
Payments received in advance	28	7,000	240,000
Total Current Liabilities		4,201,418	1,001,035
Non-Current Liabilities			
Total non-current liabilities		-	-
Total Liabilities (B)		4,201,418	1,001,035
Net Assets (A-B)		186,739,778	183,948,378
Represented By:			
Revaluation Reserves		82,038,950	82,038,950
Accumulated Surplus		71,254,493	68,463,093
Capital Fund		33,446,335	33,446,335
Net Assets		186,739,778	183,948,378

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



Chairman of Council/Board

Date



Principal

Date



Finance Officer

ICPAK No.31723

Date

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
		Reinstated	Reclassified	
At July 1, 2023	-	61,178,253	33,446,335	94,624,588
Revaluation gain	82,038,950	-	-	82,038,950
Surplus/(deficit) for the year	-	7,284,840	-	7,284,840
At June 30, 2024	82,038,950	68,463,093	33,446,335	183,948,378
At July 1, 2024	82,038,950	68,463,093	33,446,335	183,948,378
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,791,400	-	2,791,400
Capital grants received during the year	-	-	-	-
At June 30, 2025	82,038,950	71,254,493	33,446,335	186,739,778

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

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		5,462,400	11,033,846
Rendering of services- fees from students		29,672,276	17,221,320
Sale of goods/Farm Income/Rental hire		539,280	962,150
School ID		11,992	
Total Receipts		35,685,948	29,217,316
Payments			
Use of goods and services		18,080,890	21,249,654
Production unit		218,810	
Employee costs		8,725,254	3,956,244
Board /Council Expenses		1,203,790	1,844,000
Repairs and maintenance		285,900	1,835,540
Total Payments		28,514,644	28,885,438
Net Cash Flows from operating activities	29	7,171,304	331,878
Cash flows from investing activities			
Purchase of Property plant and Equipment.		(6,363,500)	-
Purchase of Biological Asset		(100,000)	
Makeshift Classroom		-	(1,200,000)
Purchase of ERP Software		(900,000)	-
Net cash flows used in investing activities		(7,363,500)	(1,200,000)
Cash flows from financing activities			
Proceeds From Borrowing		-	
Repayment Of Borrowings		-	
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		(192,196)	(868,122)
Cash and Cash equivalents at 1 JULY	16	206,426	1,074,548
Cash and Cash equivalents at 30 JUNE	16	14,230	206,426

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Budget carryovers from the previous year*	206,426	-	206,426	-	-	-
Receipts						
Rendering of services- fees from students	60,850,280	-	60,850,280	35,134,676	25,715,604	42.26
Sale of goods/Farm income	1,100,000	-	1,100,000	539,280	560,720	50.97
School ID	400,000	-	400,000	11,992	388,008	97.00
Total Receipts	62,350,280	-	62,350,280	35,685,948	26,664,332	42.77
Payments						
Use of goods and services	35,804,221	-	35,804,221	18,080,890	17,723,331	49.50
Employee costs	11,325,059	-	11,325,059	8,725,254	2,599,805	22.96
Board /Council Expenses	3,000,000	-	3,000,000	1,203,790	1,796,210	59.87
Infrastructure Development	11,521,000	-	11,521,000	7,549,400	3,971,600	34.47
Production Unit	700,000	-	700,000	318,810	381,190	54.46
Total Expenditure Payments	62,350,280	-	62,350,280	35,878,144	26,472,136	42.46
Capital Expenditure Payments				7,363,500		
Surplus	-	-		(192,196)		

Budget notes

1. Rendering of service include Transfer from government entity of ksh. 5.462,400 and fees from student of ksh.s 29,672,276 totalling to kshs. 35,134,676
2. Sale of good /farm income of kshs.539,280 include shamba hire or rental hire of kshs. 160,000 and sale of good of kshs.379,280.
3. Production unit of kshs. 700,000 budgeted include 100,000 used to buy 3 heifer.

- 4. The school bought a printer which was not in the budget because it was necessary after the one that was in use broke down.**
- 5. All income is short below 90% utilization because we never received all monies in arrears from the government which has accrued for more than 2 years now, even for this financial year we received Kshs. 5,462,400 only out of expected Kshs. 9,720,000, also we received less fees paid by students.**
- 6. All expenditures are below 90% utilization because we never received the income to spend as anticipated in our budget.**

Reconciliation Statement

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(192,196
1	Cash and Cash Equivalent B/F	206,426)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	14,230

19. Notes to the Financial Statements

1. General Information

Kendege Technical and Vocational College is established by and derives its authority and accountability from TVET Act of 2015. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is offering Training to its students in different courses.

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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *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, 2015 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new and amended standards issued in the financial year ended 30 June 2025.

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of

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	<p>financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an <i>Tvc</i>.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</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>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</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>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</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. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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

Early adoption of standards

The Entity did not early

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on **29/04/2024**. 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 entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **0** on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The *Tvc.* is exempt from paying taxes as per schedule _____ of the _____ 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 0-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if

lower, at the present value of the future minimum lease payments. The 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 Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

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

j) Financial instruments

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

Financial assets

Classification

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

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The *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 entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

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.

Inventories

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 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 and iii) Address the need of society as a whole. The entity 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 entity 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.

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

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the 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 an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

t) Service concession arrangements

The *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 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

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Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	9,720,000	15,591,491
Total unconditional Grants	9,720,000	15,591,491
Conditional Grants amortised/ recognised in revenue	-	-
Library Grant	-	-
Hostels Grant	-	-
Total Government Grants and Subsidies	9,720,000	15,591,491

7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	3,660,356	6,653,475
Activity Fees	27,944	214,779
Industrial Attachment Fees	20,674	25,548
Examination Fees KNEC	1,897,579	1,620,580
Repair Maintainance and Improvement	39,623	192,905
Electricity, Water and Conservancy	49,751	181,148
Local Transport and Travelling	35,077	127,396
Student ID	11,992	434,126
Personal Emolument	161,228	380,654
TVETA fees	8,563	55,500
Registration Fees	60,500	140,000
Nuru ya Mtoto and other Sponsors	869,303	1,402,120
Administration Cost	12,433	-
Prepaid fee	7,000	-
Welfare/Development Fees	4,080	35,500
Caution Fees	3,951	61,000
Internet Fees	5,321	-
Kuccps Registration fees	9,000	129,273
Arrears	792,554	874,178
CDF Bursaries and County bursaries	10,547,000	1,272,000
Student Union	5,897	-
Medical and Insurance	13,963	25,580
Helb Loan and scholarship	13,024,297	5,756,105
Total Revenue from The Rendering of Services	31,268,084	19,581,867

8. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Farm Produce(Maize)	367,000	962,150
Sale of Honey	5,630	-
Sale of Sweat Potatoes	6,650	-
Total Revenue from Sale of Goods	379,280	962,150

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9. Rental revenue from Hire of Shamba

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of shamba for farming	160,000	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Total	160,000	-

10. Use of Goods and Services.

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	649,854	3,957,385
Industrial attachment costs	120,700	16,000
Electricity, water and Conservancy	312,998	250,000
Stores Equipment and Supplies /teaching materials	3,099,340	97,571
Farm Cost	218,810	860,450
Subscriptions for Internet	213,495	-
Advertising	639,000	218,070
Examination Materials	1,212,885	1,798,455
Activity	1,231,310	460,800
Administration Cost	2,399,689	6,441,952
Travelling and accommodation	3,824,045	4,299,700
KATTI Expenses	243,920	592,881
Security service and other expenses reinstated from employee cost	744,000	-
Expenses reinstaed from RMI	285,910	-
Insurance	29,171	-
KNEC fees	2,457,950	1,256,750
Student Union	818,111	-
Tveta/ Kuccps Expenses	1,355,500	-
Postage	7,725	-
Training expenses	-	964,870
Bank Charges	25,490	-
Total good and services	19,889,903	21,214,884

11. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	8,626,864	3,682,316
Helb loan Repayment	192,842	43,299
Security service and other expenses	-	-
Reclassification to use of goods	(744,000)	-
Nssf	1,846,884	44,360
Housing Levy	242,163	13,772
Paye	163,513	55,667
Nita Levy	26,200	7,200
NHIF/SHA	213,968	109,630
Employee Costs	10,568,434	3,956,244

12. Board/Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Board Airtime and Meals	71,690	-
Other Board/Council Expenses	1,132,100	1,844,000
Total	1,203,790	1,844,000

13. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	6,675,437	-
Intangible assets	112,500	-
Investment property carried at cost	-	-
Total depreciation and amortization	6,787,937	-

14. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
General repair expenses	571,810	-
Software expenses	-	-
Equipment and machinery	-	1,701,040
Administration Expenses reclassified	(285,910)	-
Furniture and fittings	-	134,500
Computers and accessories expenses	-	-
Total Repairs and Maintenance	285,900	1,835,540

15. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account; 1280646055	3,831	95,519
Current Account ;1259204170	10,399	110,907
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	14,230	206,426

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1280646055	3,831	95,519
KCB	1259204170	10,399	110,907
Grand Total		14,230	206,426

17 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs.	Kshs
Current Receivables		
Student Debtors	39,184,845	38,703,600
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	39,184,845	38,703,600

18 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	481,245	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	38,703,600	100	38,703,600	100
Over 3 years	-	%	-	%
Total (a+b)	39,184,845	%	38,703,600	%

19. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	26,214,645	27,528,491
Transfers from Other Govt. entities	-	-
Received Revenue	(5,462,400)	(11,033,846)
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	20,752,245	16,494,645

**20 (a) Ageing Analysis on
Receivables from Non-
Exchange Transactions**

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	4,257,600	20.52	4,557,645	27.63
Between 1- 2 years	-	%	11,937,000	72.37
Between 2-3 years	16,494,645	79.48	-	%
Over 3 years	-	%	-	%
Total	20,752,245	100.00	16,494,645	100.00

21. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Stationary	190,540	189,119
Mechanical Engineering store	830,150	-
Hair Dressing and Beauty Store	19,300	-
plumbing store	18,700	-
Total Inventories at lower of Cost and Net Realizable Value	1,058,690	189,119

Inventory include all goods that were in store by 30/06/2025.

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	189,119	-
Additional Inventory in the year	3,500,000	189,119
Inventory expensed in the year	(2,630,429)	-
Write-downs in the year	-	-
Closing balance	1,058,690	189,119

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22. Property, Plant and Equipment

Cost	Land	Buildings (Permanent)	Machinery & Equipment	Furniture and fittings	Computers & other ICT Equipment	Kitchen ware	Loose Tools/Office Equipment	Building (Make-Shift classroom)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	20%	12.50%	33.30%	13%	20.00%	10.00%		
At 1 July 2023	-	46,450,162	-	51,328	-	-	-	-	-	46,501,490
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-	-
Revaluation	44,000,000	13,549,838	15,820,370	3,421,482	5,150,170	57,040	40,050	-	-	82,038,950
At 30th June 2024	44,000,000	60,000,000	15,820,370	3,472,810	5,150,170	57,040	40,050	-	-	128,540,440
Additions	-	-	-	-	153,500	-	-	-	6,210,000	6,363,500
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	(1,200,000)	-	-	-	-	-	1,200,000	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
At 30th June 2025	44,000,000	58,800,000	15,820,370	3,472,810	5,303,670	57,040	40,050	1,200,000	6,210,000	134,903,940
Depreciation And Impairment										
At 1 July 2023	-	232,251	-	2,566	-	-	-	-	-	234,817
Depreciation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
At 30 Jun 2024	-	232,251	-	2,566	-	-	-	-	-	234,817
Depreciation	-	1,176,000	3,164,074	434,101	1,766,122	7,130	8,010	120,000	-	6,675,437
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	1,408,251	3,164,074	436,667	1,766,122	7,130	8,010	120,000	-	6,910,254
Net Book Values										
At 30th Jun 2024	44,000,000	59,767,749	15,820,370	3,470,244	5,150,170	57,040	40,050	-	-	128,305,623
At 30th Jun 2025	44,000,000	57,391,749	12,656,296	3,036,143	3,537,548	49,910	32,040	1,080,000	6,210,000	127,993,686

24. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	900,000	-
At end of the year	900,000	-
Additions—internal development	-	-
At end of the year	900,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization 33.3%	112,500	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	112,500	-
NBV	787,500	-

25. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	40,000	-
Beehives	-	40,000
Additions	-	-
Disposal during the year	-	-
Impairment	-	-
At end of the year	40,000	40,000

26. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Trees in a plantation forest	1,000,000	1,000,000
Rabbits	10,000	10,000
cows	100,000	-
Total	1,110,000	1,010,000

(The College own 5,000 trees, 10 Rabbits, 3 cows and 20 beehives)

27. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	4,194,418		761,035	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	4,194,418		761,035	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	2,571,698	61	761,035	100%
1-2 years	-	%	-	0
2-3 years	1,622,726	39	-	0
Over 3 years	-	%	-	0
Total (to tie to totals above)	4,194,418	100%	761,035	100%

28. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	7,000		240,000	
Total	7,000		240,000	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	7,000	100%	240,000	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	7,000	100%	240,000	100%

29. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	2,791,400	7,284,840
Depreciation	6,787,937	-
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	(869,571)	189,119
Increase in Receivables	(481,245)	(2,358,165)
Increase in Receivable from Capitation.	(4,257,600)	(4,557,645)
Increase in Payables	3,433,383	(34,770)
Decrease in Payments received in advance	(233,000)	(191,501)
Net Cash Flow from Operating Activities	7,171,304	331,878

Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	82,038,950	82,038,950
Retained Earnings	105,030,704	68,463,093
Capital Reserve	0	33,446,335
Total Funds	187,069,654	183,948,378
Total Borrowings		
Less: Cash and Bank Balances	14,230	206,426
Net Debt/(Excess Cash and Cash Equivalents)		
Gearing		

16. Events After The Reporting Period

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

17. Ultimate And Holding Entity

The Tvc is a public college under the Ministry of Education. Its ultimate parent is the Government of Kenya.

18. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

21. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KENDEG E TVC/p1/2023-2024 /1.0	Unsupported transfer from other national Government Entities Amount	The issue has been resolved by writing receipts and distributing the monies to the individual beneficiary account.	<i>Resolved</i>	By 2024/2025
KENDEG E TVC/p1/2023-2024 /2.0	Unsupported Travelling and Accommodation Expenses	Travel and Accommodation Expenses have been Supported by travel tickets, attendance list and	<i>Resolved</i>	By 2024/2025

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		programmes.		
KENDEG E TVC/p1/2023- 2024 /3.0	Unsupported Employee Cost	We are preparing payroll and employees cost can be tracked and accounted for	<i>Resolved</i>	BY 2024-2025
KENDEG E TVC/p1/2023- 2024 /4.0	Unsupported Board Expenses	Board expenses have been supported by relevant documents only PAYE has not been deducted	<i>Partially resolved</i>	By 2025-2026
KENDEG E TVC/p1/2023- 2024 /5.0	Long outstanding and unsupported receivables from exchange transactions balance	Still work in progress	<i>No resolved</i>	By 2025-2026
KENDEG E TVC/p1/2023- 2024 /6.0	Unsupported receivable from non-exchange transactions balance	The capitation from government is fully supported.	<i>Resolved</i>	By 2024-2025
KENDEG E TVC/p1/2023- 2024 /7.0	Unconfirmed valuation of inventories	The inventory is valued quarterly and by end year 2023-2024 we had values for inventory.	<i>resolved</i>	By end 2023-2024

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KENDEGE E TVC/p1/2023- 2024 /8.0	Unconfirmed property plant and equipment balances	The school did valuation of its Assets and all figures confirmed and recorded in asset register and PPE movement schedule	<i>Resolved</i>	By end 2023- 2024
KENDEGE E TVC/p1/2023- 2024 /9.0	Non-compliance to prescribed financial reporting framework	The financial statement were amended and presented in the prescribed standard by the time of audit may 2025.	<i>Resolved</i>	By April 2025.
KENDEGE E TVC/p2/2023- 2024 /1.0	Late submission of financial statements to the auditor general	We have complied with required deadline of 31/08/ of each year where the 2024-2025 financial statements were submitted by 29/08/2025 as the law requires.	<i>Resolved</i>	By 2024-2025
KENDEGE E TVC/p2/2023- 2024 /2.0	Non-compliance with the law on ethnic diversity in staffing	We will work on it in our future employment	<i>Not resolved</i>	2026-2027
KENDEGE E TVC/p2/2023- 2024 /3.0	Improperly constituted board of governors	We have requested the office of the governor to send a representative	<i>Not resolved</i>	By 2025-2026

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KENDEGE E TVC/p2/2023- 2024 /4.0	Irregular procurements of makeshift 5- classroom house	We used piece meal method and engaged our students for cheap labour and trainers as expert(Technical persons)	<i>Resolved</i>	By 2023-2024
KENDEGE E TVC/p3/2023- 2024 /1.0	Unsupported rendering of services-fees from students amount	We have fully supported by issuing receipts to all monies paid by student we have an ERP Software were payments can be tracked.	<i>Resolved</i>	By 2023-2024
KENDEGE E TVC/p3/2023- 2024 /2.0	Lack of approved staff establishment and human resource manual	We have human resource manual and policy only that we have not employed a human resource Personnel	<i>Partially solved</i>	By 2025-2026
KENDEGE E TVC/p3/2023- 2024 /3.0	Risk management- lack of enterprise-wide risk management (ERM) and risk policy	The college has develop A risk policy.	<i>Resolved</i>	By 2024-2025
KENDEGE/p3/ 2023/2024/4.0	Lack of procurement Function	The management has Employed a procurement officer	<i>Resolved</i>	By end 2023/2024

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KENDEGE/p3/2023/2024/5.0	Non-Functional Human Resource Department	The management is looking for fund to employ a Human Resource Officer	Not Resolved	By end 2025/2026
KENDEGE/p32023/2024/6.0	Lack of approved ICT policy	The management has approved the policy	<i>Resolved</i>	By end 2024/2025
KENDEGE/2023/2024/7.0	Ineffective petty cash and imprest management system	Already rectified	<i>resolved</i>	By 2024/2025

Guidance Notes:

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

Sign:

Name; Otara Nickson Oreti
Principal



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Appendix II: Projects Implemented by Kendege Technical and Vocational College

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	KTVC/SEC/STB/001/2024/2025	Student fees	6 Months	When funds are available	no	Yes as work in progress

Status of Projects completion

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

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	KTVC/SEC/STB/001/2024/2025	10,000,000	6,900,000	30%		Student fees

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity... Ministry of Education and HELB...

Name of beneficiary entity... kendege Technical and Vocational College.....

Confirmation of amounts received by Kendege Technical and Vocational College as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
HELB-005706	15/07/2024	5,000	-	5,000	
HELB-005741	28/08/2024	26,400	-	26,400	
HELB-005713	28/08/2024	100,600	-	100,600	
HELB-005435,005573,005577	23/09/2024	329,226.10	-	329,226.10	
HELB-005392,005435,005464,005467	23/09/2024	564,387.60	-	564,387.60	
HELB-005684	23/09/2024	3,440,076.80	-	3,440,076.80	
CAPITATION	23/08/2024	1,328,400		1,328,400	
HELB-005476,005494,005496,005538,005550,005559,005573	24/09/2024	483,760.80	-	483,760.80	
HELB-005878	31/10/2024	70,000	-	70,000	
HELB-005874	04/11/2024	1,091,600	-	1,091,600	
HELB-005880	29/11/2024	2,251,503.45	-	2,251,503.45	
HELB-006065	23/01/2025	5,000		5,000	
HELB-006056	25/01/2025	26,400	-	26,400	
HELB-006064	25/01/2025	127,000	-	127,000	
CAPITATION	21/02/2025	4,134,000		4,134,000	
HELB-005887	18/03/2025	2,031,459.51	-	2,031,459.51	
HELB-006219	19/05/2025	2,471,883.42	-	2,471,883.42	
TOTAL		18,486,697.68	-	18,486,697.68	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name **OTARA N. ORETI** Sign *[Signature]* Date **29/11/2025**

