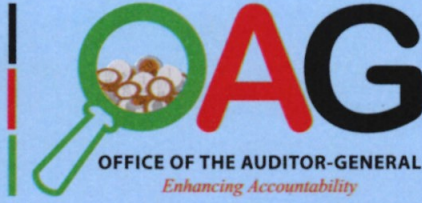


REPUBLIC OF KENYA



REPORT

PARLIAMENT
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LIBRARY


OF

THE AUDITOR-GENERAL

ON

OKAME TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	01 APR 2026
	DAY. WEDNESDAY
TABLED BY:	HON. DR. ROBERT PUKOSTE, MP
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU



OKAME 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)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Information and Management

(a) Background information

Okame Technical and Vocational College (OTVC) is a Public Institution established by the Government of Kenya under the TVET Act in 2017. The first batch of students were admitted in September 2018.

The College is located in Teso South Constituency, Teso South Sub-County of Busia County. It is approximately five kilometres off the Mumias –Busia road from Tangakona junction or three kilometres from the Busia-Malaba route's branch off at Adungosi market on the Adungosi-Amukura road. The College is supported by the Ministry of Education (MOE) and admits students for Artisan, Craft, Diploma and competence-based education and training (CBET) courses

(b) Principal Activities

The mandate of Okame TVC encompasses the following: - Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the sectors. The college's vision is to be unrivalled regional leader in developing high quality and globally competitive technical skills.

(c) Key Management

The governance and management at Okame Technical and Vocational College is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management

(d) Fiduciary Management

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

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

SN.	Designation	Name
1.	Principal	Dr. Charles V Marumbu
2.	Deputy Principal Administration	Mr. Emmanuel M Sikhila
3	Deputy Principal Academics	Ms. Everyline A Masinde
4	Registrar	Mr. Erick Imbugwah
5	Dean of students	Mr. Kizito Muka
6	Head of Finance	Ms. Esther Ochomo
7	Procurement Officer	Ms. Marygoret Adungo
8	Human Resource Officer	Mr. Duncan Ikileng

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

Key Okame TVC Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

- Finance, Planning and Development Committee (FPDC)
- Human Resources and Training Committee (HRTC)
- Audit and Risk Management Committee

(f) OTVC Headquarters

Okame Technical and Vocational College (OTVC)
P.O. Box 116-50400.
Amukura – Adungosi Road
Busia KENYA.

(g) OTVC Contacts

Telephone: (+254757006681)
E-mail: okametechnical@gmail.com
Website: www.okametvc.ac.ke

(h) OTVC Bankers

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

National Bank of Kenya
P.O. Box 264-50400
Busia Kenya

Kenya Commercial Bank
P.O. Box 116-50400
Busia Kenya

(i) Independent Auditors

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

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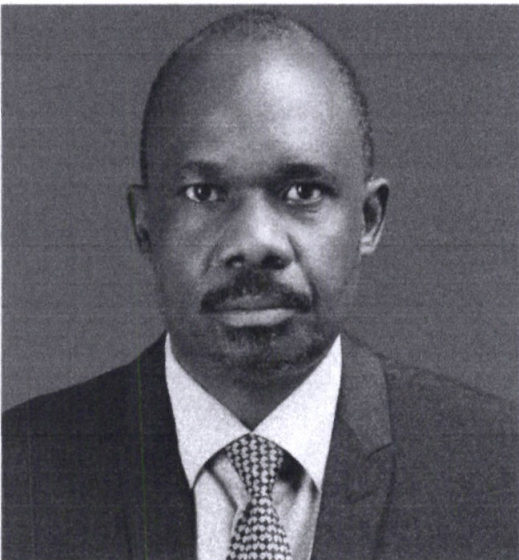
Key OTVC Information and Management (Continued)

(a) Principal Legal Adviser

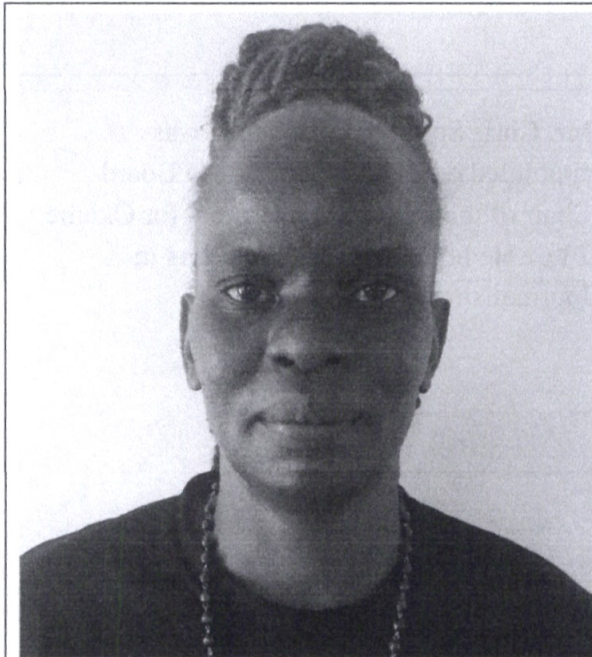
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**Okame Technical and Vocational College
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3.The Council/Board of Governors

 <p>MR. CHRIS SOLOMON NAMBANGA Born: 1966</p>	<p>Mr. Chris Solomon Nambanga was appointed on 21st July 2025 as a Board Chair of the Board of Governors for Okame TVC. He holds a Bachelor of Arts in Journalism and Media Studies.</p>
 <p>DR. WANGILA ERICK WEKESA BORN 1973</p>	<p>Dr. Wangila Erick Wekesa was appointed on 21st July 2025 as a Member of the Board of Governors for Okame TVC. He is holds a PhD in Doctorate Philosophy</p>

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



MISS Winnie Ariya Born: 1988

Miss. Winnie Ariya was appointed on 21st March 2022 as a Member of the Board of Governors for Okame TVC as the sponsor and expert in ICT. She is a statistician and researcher, REMIT KENYA is a holder of BSc. in Applied Statistics with IT and finalising her MSc. In Epidemiology and Biostatistics. Currently serving as the BOM Chair at Yogo Primary School in Siaya County.



CPA. PATRICK OBURA BORN: 1977

CPA. Patrick Obura was appointed on 21st July 2025 as a Member of the Board of Governors for Okame TVC. He is a Director in charge of Corporate Services at NACADA. He holds a Master of Business Administration (Finance Option) and a Bachelor of Arts from the University of Nairobi. He is also a Certified Public Accountant of Kenya and also a member of the Institute of Internal Auditors Kenya.

**Okame Technical and Vocational College
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MR. BRIAN OCHOLA

Mr. Brian Ochola was appointed on 21st May, 2025 as a Member of the Board of Governors for Okame TVC , under category Law and ICT . He is an Advocate of the High Court of Kenya. Mr. Ochola Brian is a graduate of University of Nairobi, he is the Managing Partner of B.O Ochola & CO. Advocates and heads the firm's Corporate and Commercial Department. Mr. Ochola specializes in Civil litigation, Constitutional law, Maritime practice, Criminal litigation, Conveyancing, Commercial Transaction, Intellectual Property and Consultancy.



SARAH MARTHA ANYIKA BORN:1992



MS. SARAH MARTHA ANYIKA
Born: 1992

Ms. Sarah Martha Anyika was appointed on 21st May 2025 as a Member of the Board of Governors of Okame Technical and Vocational College. She is the Executive Director of DHAMIRA MOJA Community Foundation in Busia and also serves on the Boards of Busia County Referral Hospital (BCRH)and St. Mary's Mundika Boys High School.

Holding a Bachelor's Degree in Tourism Management, she is a Certified Consultant, Trainer, Coach and Mentor in Resource Mobilisation, Mobilising Support, and Social Accountability.



A passionate advocate for gender mainstreaming, equality, and inclusion, her career reflects dedication to community

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	<p>empowerment, governance, education, and women’s economic inclusion.</p>
 <p>MR. JOHNKEVIN EMASA OTWANI.</p>	<p>Currently , Deputy Director of Energy in the County Government of Busia. Seats in the BOG of Kisiwa National Polytechnic, BOM St. Monica Chakol and BOM Fr. Okodoi Sec school.</p> <p>A holder of a Masters degree in Project Planning from the University of Nairobi, a diploma holder in Electrical Engineering Power option from NYS Engineering institute, a military diploma in Avionics from KAFTECH and a registered Member of the Institution of Engineering Technologist.</p>
 <p>MR. CHARLES V. MARUMBU Born: 1973</p>	<p>Name: DR. CHARLES VINCENT MARUMBU</p> <p>D.O.B: 1973</p> <p>Key Qualifications: PhD BM(HR)</p> <p>Work Experience: Over 20 years in Educational administration.</p> <p>Mr. Marumbu is the Secretary Board of Governor Okame TVC.</p>



Okame Technical and Vocational College

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

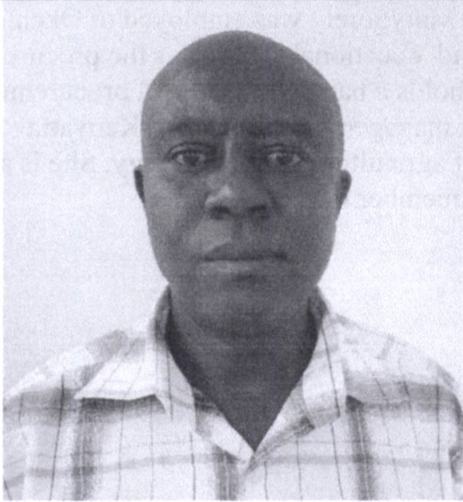
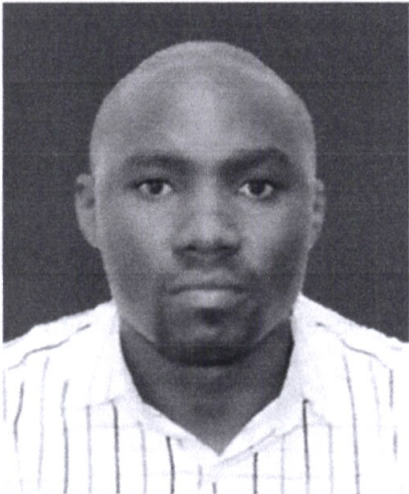

 <p>MRS. MARTHA WEKESA Born: 1966</p>	<p>Mrs. Martha Wekesa is the County TVET Director for Bungoma and Busia Regions. She holds a masters in Food Science and Technology, Post Graduate Diploma in Education and SLDP. She has over 25years of experience.</p>
 <p>MR. CHRISANTUS OKWARE Born: 1968</p>	<p>Mr. Chrisantus Okware was appointed on 21st July 2020 as a Member of the Board of Governors for Okame TVC as the Governors appointee. He is a Public Administrator, County Government of Busia. He is a holder of Postgraduate Diploma in Education and a Bachelors in Arts – Philosophy. He has also worked as a BOM at Alupe Special School.</p>

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


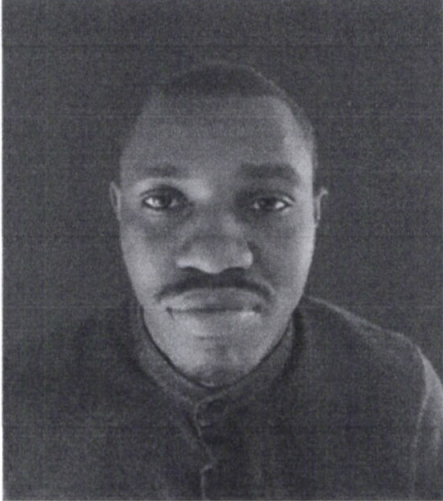
4. Key Management Team

 <p>DR. CHARLES V. MARUMBU</p>	<p>Name: DR. DR. CHARLES VINCENT MARUMBU</p> <p>D.O.B: 1973</p> <p>Key Qualifications: PhD BM(HR)</p> <p>Work Experience: Over 20 years in Educational administration.</p> <p>Mr. Marumbu is the Secretary Board of Governor Okame TVC.</p>
 <p>MRS. EVERLYN ANYANGO MASINDE</p>	<p>Everlyn Anyango Masinde was posted to okame tvc in February 2025. she holds a bachelor's degree in home science and technology from Moi University. Currently pursuing master's degree in Education policy formulation and management at Daystar University. She has a teaching experience of 21 years.</p>

**Okame Technical and Vocational College
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 <p>MR. EMMANUEL SIKHILA</p>	<p>Mr. Sikhila Emmanuel was deployed to Okame TVC in August 2023 as the Deputy Principal Academics. He holds a bachelor's Degree in Education (Technology) from Moi University. He has also pursued a Senior Management Course at the Kenya School of Government, Holds Andragogy certificate from SILKIRK college British Columbia (Canada), Proficiency in electrical Technology certificate from AVIC international (China) postgraduate certificate in physics from University of Cambridge (England) He served as Head of Electrical Department for a period of ten years at Bumbe TTI. While there, he also served as the Public Complaints officer as well as the Lead Auditor for ISO 9001:2015 certification</p>
 <p>MR. ERICK IMBUGWAH</p>	<p>Mr. Imbugwah Erick was deployed to Okame Technical and Vocational College in June 2019 as a mechatronic trainer and internally appointed as the registrar, he holds a bachelor of education in mechanical technology from Moi University. He also worked in Bumbe TTI as a deputy ILO Among other duties</p>
 <p>MS. ESTHER OCHOMO</p>	<p>Ms. Esther Ochomo Okongo was employed to Okame Technical and Vocational College as Accountant, she is CPA finalist an ICPAK member.</p>

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

	<p>Ms Adungo Marygoret was employed to Okame Technical and Vocational College as the procurement officer, she holds a bachelor degree in procurement and contract management from Jomo Kenyatta university of agriculture and technology. She is also a registered member of KISM.</p>
<p>MS. MARYGORET ADUNGO</p>	<p>Mr. Ikileng Duncan was employed to Okame. TVC as the Human Resource Officer in January 2023. He holds a bachelor degree in Human Resource Management and Development from Rongo University.</p>
	<p>Mr. Ikileng Duncan was employed to Okame. TVC as the Human Resource Officer in January 2023. He holds a bachelor degree in Human Resource Management and Development from Rongo University.</p>
<p>MR. IKILENG DUNCAN</p>	

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

5. Chairman's Statement

On behalf of the Board of Governors, I am pleased to present the financial report of Okame Technical and Vocational college for the year ended 2024/2025.

The financial year under review reflects our continued commitment to prudent



financial management, accountability, and transparency, in line with the Public Finance Management Act, 2012, the TVET Act, and directives from the Ministry of Education.

Despite challenges in the wider economic environment, the college has recorded steady progress. Revenue performance was largely driven by government capitation, tuition fees, and short profession courses. Expenditure was carefully managed, with priority placed on teaching and learning resources, infrastructure development, and staff training.

Key Financial Highlights Include:

- Timely preparation and submission of financial statements in accordance with international Public Sector Accounting Standards (IPSAS).

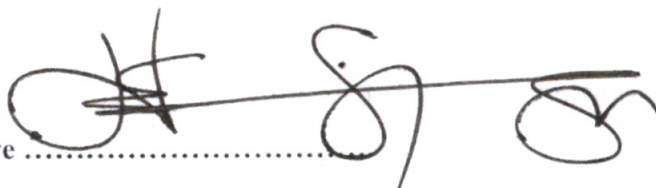
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- Continued investment in infrastructure and training equipment to support competency-based education and training (CBET)
- Strengthening of internal controls and audit compliance to safeguard resources and promote value-for money spending.

Looking forward, the Board is committed to diversifying revenue sources through partnerships with industry, development partners, and income-generating projects to ensure long-term sustainability.

We express our sincere gratitude to the Government of Kenya, development partners, staff, and the wider community for their support in advancing the mission of Okame Technical and Vocational College.

Signature

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned over a dotted line.

Okame Technical and Vocational College
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6. Report of the Chief/Senior Principal



Okame Technical and Vocational College is situated in Akadai village, Okame Location, Teso South Sub-county and Busia County. It is a public institution with registration No TVETA/PUBLIC/TVC/0032/2017. The college was mentored by Bumbe Technical Training Institute. The (5) five acre college land Registration No: South Teso /Chakol /818 and South Teso /Chakol /2543 was purchased by NG-CDF Teso South constituency together with Jitume Lab and Kotur Campus. The college, through the Board also acquired 3 acres of land.

The college has one storey building that was constructed by GOK (which houses two workshops for Mechatronics Engineering, 8 classrooms, staffroom, computer laboratory, library space and administration offices), one Food and Beverage workshop, Hairdressing, Beauty Therapy and Fashion Design workshop and an Administration block

The college has engaged consultants in developing of a five (5) years Strategic plan and a vibrant cloud based ERP (Enterprise Resource Planning) system.

HUMAN RESOURCE

The college is managed by a Board of Governors. Currently there are sixty nine (69) Trainers in the college, 36 (24 male and 12 female) deployed by the Ministry and 33 (18 male and 15 female) on Board employment. The college has 16 support staffs employed by the Board but plans for increasing the number for efficiency to be enhanced are underway .

COURSES AND ENROLMENT

The college is a Centre of excellence in Mechatronics Engineering. Other courses include ICT, Plumbing, Welding, Secretarial Studies, Cosmetology, Business Management, Supply Chain Management, Human Resource Management, Accounting Technician Diploma and Electrical & Electronics at different levels. The college is currently offering courses examined by TVET CDACC, NITA, KNEC and KASNEB. The college is on the path to full CBET implementation.

The total enrolment as at June 2025 was 3382 trainees spread across the courses.

Okame TVC has embraced the Open Distance and e Learning (ODEL) method of engaging our students amidst the COVID 19 pandemic going forward.

Okame Technical and Vocational College
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PROJECTS UNDERTAKEN

With the support of the CDF-NG Teso South, the college has undertaken various projects namely planting 2500 assorted fruit trees, Construction of a 6-door Ventilated Improved Pit (VIP) latrine, Construction of a Jitume lab, Kotur Campus and acquisition of a 33-seater bus. The construction of food and beverage workshop is underway by the BOG.

The college also has a solar-powered borehole which was constructed by the National Government through The Lake Victoria North Water Services Board that will also provide water to the community as Corporate Social Responsibility (CSR).

The Board constructed one Food and Beverage workshop, Hairdressing, Beauty Therapy and Fashion Design workshop and an Administration block.

STRENGTHS

The college has the following strengths:

1. Citing of the college is strategic since it is the only one of its kind in the area.
2. The college is close to Busia town hence an opportunity to begin Town campus
3. There is good will from the community
4. Substantive Board of Governors in place.
5. The college has state of the art equipment in Mechatronics Technology
6. The college has highly skilled manpower who are frequently used in developing documents used at a National and International levels
7. The college has land for expansion

CHALLENGES

The college is in dire need for:

1. Public Service Commission trainers to ease the burden on the BOG.
2. Hostels to attract students and clients from all over the country.
3. Development of the fields for co-curricular activities.
4. Workshops for Electrical and Electronics Engineering (Power), Mechanical Engineering (Production), Plumbing, Welding and Fabrication, Hair dressing and Beauty Therapy and Food and Beverage (Sales and Service)
5. Equipment and tools for technical courses i.e Electrical and Electronics Engineering (Power), Mechanical Engineering (Production), Plumbing, Welding and Fabrication, Hair dressing and Beauty Therapy, Food and Beverage (Sales and Service), Driving Course and Technical Drawing for hands on training.
6. Transportation: Double Cabin (4 x 4) and a bigger Bus for mobility and training.
7. E- library: Computers, chairs, tables, shelves for research and innovation needs.

Okame Technical and Vocational College
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8. Fill administrative positions for effective operations of the college.

SIGN. 

7. Statement of Performance against Predetermined Objectives

Okame TVC has three strategic objectives within current strategic plan for the financial year 2020/2021 – 2024/2025. These strategic objectives are as follows:

1. QUALITY TECHNICAL TRAINING

Key strategic issues:

- Quality Training;
- Delivery or methodology;
- Accessibility and relevance of training;
- Certification of the courses
- Market intelligence;
- Capacity building of trainers;
- Integration of admissions systems;
- Create a data base of trainees and establishment of Trainees' union;
- Transfer of learning and post training evaluation

2. RESEARCH AND INNOVATIONS DEVELOPMENT

Key strategic issues:

- Institutionalizing a research culture;
- Marketing the College as a research destination;
- Dissemination of research findings;
- Public trainers research findings in Refereed Journals;
- Policy oriented research;
- Uptake of available funding for research;
- Motivation for research;
- Working paper series/ position papers;
- Contributions to GOK policy issues;
- Regional conferences on topical issues

3. RESOURCE DEVELOPMENT AND MANAGEMENT

Key strategic issues:

- College staff retention
- College and organizational culture
- Institutionalization of a performance management system
- Manage employee relations

Okame TVC develops its annual work plans based on the above three pillars. Assessment of the board's performance against its annual work plan is done on a quarterly basis. Okame TVC achieved its performance targets set for financial year 2023/2024 for its 3 strategic pillars, as indicated in the table below:

Okame Technical and Vocational College
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Strategic Pillar	Objective	Key performance Indicator	Activities	Achievements
QUALITY TECHNICAL TRAINING	<ul style="list-style-type: none"> • Quality Training; •Delivery or methodology; •Accessibility and relevance of training; •Certification of the courses •Market intelligence; •Capacity building of trainers; •Integration of admissions systems; •Create a data base of trainees and establishment of Trainees' union; •Transfer of learning and post training evaluation 	<p>Number of accredited programmes rolled out</p> <p>Operational platform for Peer-to-Peer learning</p>	<p>-Implement accredited training programmes Source and implement CBET programmes</p> <p>-Establish a platform for Peer-to-Peer learning -Implement Peer-to-Peer learning -Sharing of experiences from Peer-to-Peer learning Organize for industrial attachments for trainees Coordinate training of practical</p>	<p>All CBET causes mounted</p> <p>Benchmarking trips organised</p>
RESEARCH AND INNOVATIONS DEVELOPMENT	<ul style="list-style-type: none"> • Institutionalizing a research culture; • Marketing the College as a research destination; • Dissemination of research findings; • Public trainers research findings in Refereed Journals; • Policy oriented research; • Uptake of available funding for research; • Motivation for research; 	<p>Operational research and innovation policy for OTVC developed</p> <p>-Operational research and innovation policy for OTVC developed</p> <p>System for Quality Assurance</p>	<p>-Develop a research and innovation policy for OTVC</p> <p>- Implement research and innovation policy for OTVC</p> <p>Develop and implement a Quality Assurance Standards Policy</p>	<p>Research and development policy is operational</p> <p>IQA policy implemented on quarterly basis</p>

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	<ul style="list-style-type: none"> • Working paper series/ position papers; • Contributions to GOK policy issues; Regional conferences on topical issues 			
RESOURCE DEVELOPMENT AND MANAGEMENT	<ul style="list-style-type: none"> • College staff retention • College and organizational culture • Institutionalization of a performance management system • Manage employee relations 	<p>Revised organization structure</p> <p>-Customer satisfaction index</p>	<p>Develop and implement functional organizational structure</p> <p>-Review and implement the service delivery charter.</p>	Human resource policy established

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8. Corporate Governance Statement

The corporate governance statement outlines the governance framework and practices adopted by Okame TVC. Our commitment to transparency, accountability and ethical conduct guides our operations and decision-making process.

Board of governors

Okame is governed by the board of governors responsible for strategic oversight, policy formulation and ensuring the institution's mission aligns with national education standards.

Board members list and their Meetings and Attendance

i. Board of Governors Committees

Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

In the financial year 2024/2025 the Board had approved the following committees;

**1. RESEARCH TRAINING AND HUMAN RESOURCE
COMMITTEE**

Duties

- i. Oversee of the implementation of academic programs and standards.
- ii. Approve training programs.
- iii. Monitor, evaluate, and report on quality of training programs.
- iv. Ensuring the relevance of training to industry requirements.
- v. Evaluating the cost effectiveness of different training programs.
- vi. Determine the enrolment of training programs.
- vii. Evaluation of examination criteria, procedure and results.

2. FINANCE, ADMINISTRATION AND INFRASTRUCTURE COMMITTEE.

Mandate

- a. Oversight of annual operating plan and budget development including recommendation to the management for Board's approval.
- b. Oversight of the structure with assistance of staff to develop the fee structure.
- c. To ensure the solvency of the Institute – finance mobilization.

Okame Technical and Vocational College
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- d. To safeguard the Institute assets.
- e. To ensure the effective and efficient use of resources.
- f. To ensure that financial control systems are in place and are working effectively.

3. RISK AND AUDIT COMMITTEE

Duties

a) *To ensure.*

- Compliance with labour laws and regulations,
- Compliance with Government of Kenya (GoK) Policy.
- Compliance with Board of Governors Policy.
- Compliance with established professional standards.
- Compliance with ISO guidelines and standards.

ii. *To evaluate.*

- Achievement of targets and as set in the strategic and work plan.
- The application of ethical standards and core values in the pursuit of vision goals.
- Overall efficiency and effectiveness.

Board Charter

Okame TVC governance is directed by its board charter that was developed in regards to Mwingozo government policy document. It clearly outlines best governance principles guiding Board operations like size of the Board, appointments, duties, resignation, and procedure for meetings, communication, liability of members and conflict of interest.

Succession Plan

The Board is composed of 9 members. Each member is entitled to a 3-year term renewable up to a maximum of 2 terms. No Board at any particular time will be composed of all new members as a way of ensuring smooth transition.

Process of Appointment and Removal of Board Members

The second schedule of the TVET Act allows the Cabinet Secretary to appoint members of the Board of Governors consisting of not less than seven and not more than nine members; on basis

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

of nominees proposed by various stakeholders. Mwongozo policy document acts as a guide in regards to the Removal of a Board Member which include but not limited to: failure of a member to attend 3 consecutive meetings without notice, member resignation through notice and incapacitation of a member. Members of the Board were appointed by the CS education on 21st July 2025 and inaugurated on 04/08/2025

The functions of the board of Governors as set out under section 28 (1) of TVET Act shall include: -

- (a) Overseeing the conduct of education and training in the institution
- (b) Promoting and maintaining standards, quality and relevance in education
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Mobilizing resources for the institutions;

Induction and Training of Board Members

In line with recommendation of Mwongozo, Okame TVC undertakes induction programs aimed at empowering members to enable them to be effective in discharge of their duties. Gap analysis is what informs the nature of the training. Induction of the new board was conducted in November 2023.

Conflict of Interest

The Board is acquainted about the conflict of interest on effectiveness of discharging its duties. Members observed each specific conduct contained in statues governing ethical behaviour and the required professional ethics where applicable. In accordance, in every meeting, members sign in the declaration of interest prior to the discussion of the agenda item(s). During the financial year 2024/2025 there was no member who had a conflict of interest on any of the agenda item(s).

Board Remuneration

The Board are remunerated as a form of facilitation. The remuneration is in the form of sitting allowance and transport. Pay as you earn is deducted at the rate of 30% of sitting allowance and remitted accordingly.

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

Ethics and Governance as well as Governance Audit

The board abided by the code of conduct and ethics for State Corporation that emphasizes on ethical conduct and integrity at the workplace. The Boards operations were guided by the stipulated values; respect for people, integrity, transparency and accountability.

The operation on governance audit covers the parameters defined under the Mwongozo as part of statutory requirements. Periodic audit is done by Audit and Risk Management Committee as a way of ensuring conformity to various audit parameters.

Board Members Performance

The board's commitment to excellence, financial management, and infrastructure development has been remarkable here are some of the performances for the FY 2024/2025.

In matters excellence the institution actualized on drafting of the strategic plan; developed a college master plan, recruitment of support staff and trainers, recruitment of 9 PSC trainers to enhance efficient quality training.

In terms of infrastructure development, the board has made significant progress in erecting a perimeter wall in the front side of the college which provides security and beautification of the institution. Another significant achievement was construction of building and civil engineering workshop shade that facilitates training in the necessary department.

In conclusion, the board's performance in the just-ended financial year has been per the standard. With continued support from all our stakeholders we will soar to greater heights in future. Thank you for your continued support.

9. Management Discussion and Analysis

Okame Technical and Vocational College received total revenues amounting to **Ksh 58,779,953**, Ksh. 36,666,593 being collection from trainees/Sponsors/Parents as college fees and **Ksh 22,113,000 from the** Ministry of education as Government grants and capitation. Resources utilised amounted to Ksh **58,100,453** this relates to 95 % of the budget for the fiscal year 2024/2025.

The College has always complied with statutory requirements by submitting financial reports on time, following the PFM Act, recruiting staff in a competitive way as per the Human Resource guidelines, prudent utilization of funds, following the presidential directives, among others.

Some of the risks during the year included;

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

- a) **High Rate of Dropout of Trainees Due to Fees Issues:** Many trainees are unable to continue with their education uninterrupted due to financial constraints. Tuition fees and examination fees has in most instances forced students to prioritize immediate financial needs over their long-term educational goals.
- b) **High Turnover of Trainers:** The training institution is experiencing a significant turnover rate among its trainers, which disrupts continuity in education and mentorship. Factors contributing to this turnover may include inadequate compensation, lack of professional development opportunities, and a challenging work environment in terms of workload. This instability results in a loss of institutional knowledge and negatively impacts the quality of training provided.
- c) **Under-Funding Leading to Unmet Planned Activities:** Insufficient funding has resulted in the inability to execute many of the planned activities essential for a comprehensive training program. This includes workshops, training materials and equipment and necessary outreach initiatives. The lack of resources not only limits the scope of the training but also affects the overall morale of both trainers and trainees, who feel that they are not receiving a complete educational experience.
- d) **Security Risks Due to Incomplete and Porous Fence:** The current state of the college's security is compromised by an incomplete and porous fence, which poses risks to the safety of trainees, staff and property. There have been instances of unauthorized access and theft.
- e) **Inadequate Physical Facilities:** The training institution is facing challenges due to inadequate physical facilities, which do not meet the needs of the trainees. Insufficient classrooms, insufficient study spaces, and lack of specialized training areas hinder the learning experience. Improving the physical environment is essential for creating a conducive atmosphere for effective education and skill development.
- f) **Inadequate Machinery:** The lack of sufficient and modern machinery limits the hands-on training opportunities for trainees, which are crucial for skill acquisition in practical fields. Outdated or insufficient equipment hinders the learning process, leaving trainees unprepared for real-world applications in their respective industries. Heavy investments in modern machinery are necessary to ensure that trainees gain relevant and applicable skills.

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

10. Environmental And Sustainability Reporting Statement

(Sustainability is the ability to meet our current needs without compromising the ability of future generations to meet their needs. It applies to natural, social and economic resources.

OTVC has employed the following broad areas to enhance sustainability

1. Environment

The greening of the college as mandated to the greening champion demands that all college staff plants a minimum of 10 tree seedlings every year. The principal leads students and staff in tree planting exercises every term. Other than providing a conducive environment for learning its our considered view that in future the hundreds of trees being planted today will form sources of revenue.

2. Revenue

In view of the foregoing austerity measures at the National level, exchequer releases will no longer be a quarantine. The College has put in place elaborate mechanisms to ensure that students get fees from multiple sources including Helb where we have a helb desk, NG-CDF bursaries where we have established a rapport with the local leadership. The work based learning program where we engage students in various on campus activities cannot be gain said. All these efforts have ensured that we raise sufficient resources in running the college without interfering with the college calendar.

3. Society

The college being located in rural area must embrace the local community for sustainability to be achieved. Towards this end, we continue to engage with the local political and religious leaders during our student recruitment drive to enhance ownership. Employment opportunities is a being challenge in Kenya today, since inception in 2015, OTVC has provided 30 employment opportunities to the local community. The support of the local community is a major milestone in ensuring the sustainability of the college.

Environmental performance

The college has a zero environmental degradation policy where it engages in frequent tree planting in line with the presidential directive on greening and forest restoration campaign. The department of Computing and informatics developed a e-waste disposal guidelines which is used when disposing electronic wastes.

Market place practices

The mandate of OTVC as per the TVET ACT 2013 is limited to training, research and innovation, towards this end marketing is basically aimed at promoting college programs on offer to increase enrolment of students through social media pages and advertisement on local FM stations.

Procurement of goods and services is guided by the procurement laws in the country which is open, transparent and competitive.

Corporate Social Responsibility

The college has established a good working relationship with the local community, the Board commits funds to support community initiatives when called upon. In the FY 2024/2025, the college was a corporate sponsor of Busia Border Marathon.

The Principal through the Board provides sanitary towels to needy students every term.

Employee welfare

Employee welfare is important aspect in the organization because it helps the institution attract and retain talent as well as improving employee satisfaction and improve productivity.

During hiring, the institution takes into consideration all legal policies that guide the recruitment process ranging from the supreme document of the Republic of Kenya that is the Constitution to Okame Technical and Vocational College Human Resource Policies and Procedures Manual.

The process takes into account the gender ratio and stakeholders are always engaged for their inputs before the completion of the hiring process. These procedures are often improved to suit the dynamics and to meet expected standards.

Improving skills, managing careers, appraisals and reward systems are very vital for the productivity of the organization and therefore the management is making deliberate immense efforts in improving skills and managing careers, appraisal and rewarding systems.

These efforts are as below;

- 1) Continuous training and development of employees. Employees have been continuously sent for training and development both externally and internally in order to enhance more skills to advance their careers.
- 2) Established mentorship programs. New employees after hiring are always subjected to mentorship in order to make them understand their job and on the importance of building their careers.
- 3) Diversity, equality and inclusivity has been enhanced in order to build a more diverse workforce.
- 4) Availability of career development plan. With the existence of a career progression document, the organization has an elaborate career development plan of all the employees.
- 5) Promotion of cross functional projects. The institution has also developed cross functional projects across departments that aid in diversification of skills.

Furthermore, the management has also ensured prompt feedback, training of head of departments among others to enhance improved appraisal and reward systems.

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

11. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the College are -: Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board, as provided for in the TVET Act.

Results

The results of the OTVC for the year ended June 30 2025 are set out on page 1 to page 6

Council/Board of Governors

The members of the Board of Governors who served during the year are shown on page vi- ix.

Auditors

The Auditor General is responsible for the statutory audit of the Okame TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 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

Date:

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

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

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013- require the Board of Governors of Okame Technical and vocational college to prepare financial Statements which give a true and fair view of the state of affairs of Okame TVC at the end of the financial year and the operating results for that year. The Board members are also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position of Okame TVC. The Board members are also responsible for safeguarding the assets of the college.

The Board members are responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of Okame TVC for and as at the end of the financial period 1 July 2024 to 30 June 2025.

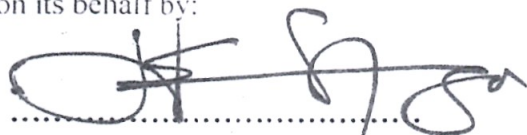
This responsibility includes: (I) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Okame Technical and Vocational College 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 section 29 of scheduled 2 of the technical and vocational Education and training Act 2013. The Board members are of the opinion that Okame Technical and Vocational College financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30th 2025 and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Okame technical and vocational college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Okame Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Okame TVC's financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:



MR. CHRIS SOLOMON NAMBANGA
Chairperson of the Board of Governors



DR. CHARLES V. MARUMBU
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 OKAME 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 Okame Technical and Vocational College set out on pages 1 to 39, which comprise of the statement of financial

Report of the Auditor-General on Okame Technical and Vocational College for the year ended 30 June, 2025

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 Okame Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Revenue from Exchange Transactions

The statement of financial performance reflects revenue from exchange transactions amounting to Kshs.36,666,593 comprising of rendering of services fees from students and sale of goods amounts of Kshs.36,425,468 and Kshs.241,125 respectively. The same total amount of Kshs.36,666,593 has been indicated as fully received during the year as reflected under cash flows from operating activities in the statement of cash flows.

Additionally, the statement of financial position reflects a balance of Kshs.13,227,716 in respect of current portion of receivables from exchange transactions. However, there is no evidence provided for audit indicating that revenue totalling Kshs.36,666,593 was received during the year under review.

In the circumstances, the accuracy and completeness of the revenue from exchange transactions reflected in the statement of financial performance and statement of cash flows amounting to Kshs.36,666,593 could not be confirmed.

2. Unsupported Current Portion of Receivables from Exchange Transactions Balance

The statement of financial position reflects a balance of Kshs.13,227,716 in respect of current portion of receivables from exchange transactions, which, as disclosed in Note 14 to the financial statements indicates that the entire balance of Kshs.13,227,716 relates to student debtors. However, ledgers and list of students were not provided to support the student debtors balance.

Further, as disclosed in Note 14(b) to the financial statements, student debtors balance totalling Kshs.8,508,435 has been long outstanding for more than 365 days. No explanation was provided on why the debts were not recovered on time.

In the circumstances, the accuracy, completeness and full recoverability of current portion of receivables from exchange transactions balance of Kshs.13,227,716 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Okame 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 final receipts budget and actual on comparable basis of Kshs.66,788,900 and Kshs.58,779,593 respectively resulting to under-funding of Kshs.8,009,307 or 12% of the budget. Similarly, the College spent a total of Kshs.66,450,044 against an approved budget of Kshs.66,790,861 resulting to an under expenditure of Kshs.340,817 or 0.5% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under the Report on the Financial Statements, Other Matter, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix I**. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

Management is responsible for the Other Information set out on page iii to xxxi which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Chief Principal, Statement of

Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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 on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Accreditation and Licensing of Trainers

Review of staffing records revealed that the College had sixty-nine (69) trainers as at 30 June, 2025. However, upon request for verification of licensing documentation, no trainer licenses were provided for audit review contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013 which requires that, any person who intends to become a trainer in a College shall apply for licensing and registration by the Board in accordance with the provisions of this Act.

Additionally, it was observed that the College does not maintain a formal register detailing the names, qualifications, and licensing status of all trainers engaged by the College contrary to Section 25(1) (b) of the Technical and Vocational Education and Training Act, 2013 which states that the Board shall maintain registers indicating particulars of trainers registered and licensed under this Act.

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

2. Non-Compliance with Ethnic Diversity Rule

Review of staff list as at 30 June, 2025 revealed that out of the total number of staff members of fifty four (54), a total of thirty two (32) or 59% were from one dominant ethnic community, contrary to the provision of the National Cohesion and Integration Act 2008 Section 7 (1) and (2) which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and the Board of 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 sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or cease its 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

08 December, 2025

Appendix I – Unresolved Prior Year Matters

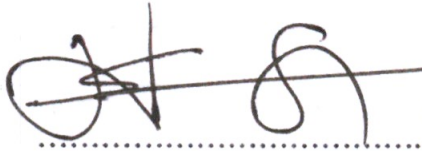
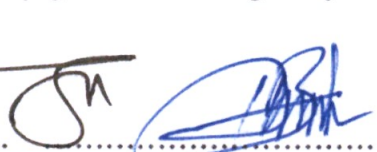
Reference No. of the Auditor-General's Report	Observation
	Report on the Financial Statements
1	Long outstanding receivables from Exchange transactions
	Emphasis of Matter
1	Budgetary Control and Performance
	Other Matter
1	Unresolved Prior Year Matters
	Report on Lawfulness and Effectiveness in the Use Of Public Resources
1	Non-compliance with Law on Ethnic Composition
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Failure to Segregate Duties for Procurement Process
2	Lack of Risk Management Policy

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	5	22,113,000	16,768,997
		22,113,000	16,768,997
Revenue from Exchange transactions			
Rendering of services- fees from students	6	36,425,468	29,174,235
Sale of goods	7	241,125	198,850
Revenue from Exchange transactions		36,666,593	29,373,085
Total Revenue		58,779,593	46,142,082
Expenses			
Use of goods and services	8	38,198,143	31,019,246
Employee costs	9	9,157,704	8,222,531
Board /Council Expenses	10	1,570,540	1,630,600
Depreciation and amortization expense	11	7,913,127	11,710,199
Repairs and maintenance	12	1,260,642	693,025
Total Expenses		58,100,453	53,275,601
Other Gains/Losses			
Impairment loss	22	-0	1,999,735
Total Other Gains/Loss		0	(1,999,735)
Net surplus/(deficit) for the year		679,140	-9,133,254

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

Chairman of Council/Board Principal



Finance Officer

Date 4/11/2025

Date 4/11/2025

ICPAK No ASSOC/4054

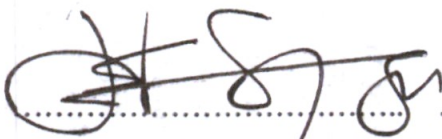
Date 4/11/2025

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

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	510,567	2,777,459
Current portion of receivables from exchange transactions		13,227,716	11,572,036
Receivables from Non-Exchange Transactions	14	0	575
Inventories	15	2,252,520	77,251
Total Current Assets		15,990,803	14,427,321
Non-Current Assets			
Property, plant, and equipment	16	167,992,251	159,376,950
Intangible assets	17	1,648,668	307,097
Biological Assets	18	1,835,000	1,730,000
Total Non-Current Assets		171,475,919	161,414,018
Total Assets (A)		187,466,722	175,841,369
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	11,765,753	819,540
Refundable deposits from customers		-	-
Total Current Liabilities		11,765,753	819,540
Non-Current Liabilities			
Total Liabilities (B)		11,765,753	819,540
Net Assets (A-B)		175,700,969	175,021,829
Represented By:			
Reserves		2,796,450	2,796,450
Accumulated Surplus		11,642,463	10,963,323
Capital Fund		161,262,056	161,262,056
Net Assets		175,700,969	175,021,829

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



Chairman of Council/Board



Principal



Finance Officer

ICPAK No Assoc/4054

Date

4th/11/2025

Date

Date

4/11/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	2,796,450	20,096,577	0	22,893,027
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(9,133,254)	-	(9,133,254)
Capital grants received during the year	-	-	161,262,056	161,262,056
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	2,796,450	10,963,323	161,262,056	175,021,829
At July 1, 2024	2,796,450	10,963,323	161,262,056	175,021,829
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	679,140	-	679,140
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	2,796,450	11,642,463	161,262,056	175,700,969

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	5	22,113,000	16,768,997
Rendering of services- fees from students	6	36,425,468	29,174,235
Sale of goods	7	241,125	198,850
Total Receipts		58,779,593	46,142,082
Payments			
Employee costs	9	9,157,704	8,222,531
Board /Council Expenses	10	1,570,540	1,630,600
Repairs and maintenance	12	1,260,642	693,025
Use of goods and services	8	38,198,143	31,019,246
Total Payments		50,187,029	41,565,402
Net Cash Flows from operating activities		8,592,564	4,576,680
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	(18,718,015)	(2,081,935)
Increase/Decrease in payables	19	10,946,213	(928,854)
Decrease in current assets- inventory	15	(2,175,269)	(77,251)
Increase in current receivables	14	(1,655,680)	(3,421,638)
Increase in Intangible assets	17	743,295	502,185
Net cash flows used in investing activities		(10,859,456)	(6,007,493)
Cash flows from financing activities			
Increase/Decrease from deposits			682,270
Net cash flows used in financing activities		0	682,270
Net Increase/(Decrease) in Cash and Cash equivalents		(2,266,892)	(748,543)
Cash and Cash equivalents at 1 July 2024	26	2,777,459	3,526,002
Cash and Cash equivalents at 30 June 2025	26	510,567	2,777,459

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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	%
Revenue						
Transfers from other National Government entities	18,275,000	4,000,000	22,275,000	22,113,000	162,000	1%
Rendering of services- fees from students	43,943,900	-	43,943,900	36,425,468	7,518,432	17%
Sale of goods	570,000	-	570,000	241,125	328,875	58%
Total Income	62,788,900	4,000,000	66,788,900	58,779,593	8,009,307	12%
Expenses						
Use of goods and services	34,067,339	(1,000,000)	33,067,339	38,198,143	(5,130,804)	-16%
Employee costs	15,616,522	(2,500,000)	13,116,522	9,157,704	3,958,818	30%
Board /Council Expenses	2,212,000	(1,000,000)	1,212,000	1,570,540	(358,540)	-30%
Repairs and maintenance	3,175,000	-	3,175,000	1,260,642	1,914,358	60%
Total Recurrent Expenditure	55,070,861	(4,500,000)	50,570,861	50,187,029	383,832	1%
Capital Expenditure	7,720,000	8,500,000	16,220,000	16,263,015	(43,015)	0%
Total Expenditure	62,790,861	-	66,790,861	66,450,044	340,817	0%
Surplus/Deficit For the Period	-1,961	-	-1,961	-7,670,451	-7,672,412	100%

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Budget explanatory notes

- A) Revenue from Production units : Production policy still under development and implementation stage.
- B) Compensation of employees: Understaffing contrary to projections and implementation of career progression in progress.
- C) Tuition expenses: Low enrolment resulting to low income from rendering of services
- D) Remuneration of Directors : Due to low funding B.O.G programmes and meetings could not run as planned.
- E) Other General expenses: Due to low income receipts from G.O.K and low enrolment, the budgeted expenditures could not be met.

19. Notes to the Financial Statements

1. General Information

OTVC is established by and derives its authority and accountability from TVET Act. The OTVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The OTVC's principal activity encompasses the following: Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the sectors.

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

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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 standards in the year ended 30th 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	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Okame TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The above standard does not affect the Financial statements of Okame TVC since the College has no lease currently.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>This has no impact to the College since the college does not have Non-Current Assets Held for Sale and Discontinued Operations</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i>

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul 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>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Okame TVC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The Okame TVC did not early adopt any new or amended standards in year 2024

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 Okame TVC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

- ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on 23 February 2024. Subsequent revisions and additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Okame TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 7 of these financial statements.

c) Taxes

Current income tax

The Okame TVC is exempt from paying taxes as per schedule **One** of the **Income Tax Act**.

Sales tax/ Value Added Tax

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

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

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

d) 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 Okame TVC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Leases

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

f) 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.

g) Research and development costs

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

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

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

h) 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 Okame 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 Okame TVC and a financial liability or equity instrument of another Okame TVC. At initial recognition, the Okame TVC measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Financial liabilities

Classification

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

i) Inventories

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

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

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

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

Inventories (Continued)

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

j) Provisions

Provisions are recognized when the Okame 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 Okame 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 Okame 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 Okame 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 Okame 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.

k) 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 Okame TVC recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Okame TVC will incur in fulfilling the present obligations represented by the liability.

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

The Okame 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.

n) Employee benefits

Retirement benefit plans

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

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) 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.

q) Related parties

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

r) Service concession arrangements

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

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

There were no Provisions raised and managed.

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5. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	22,113,000	16,768,997
Total unconditional Grants	22,113,000	16,768,997
Total Government Grants and Subsidies	22,113,000	16,768,997

6. Rendering of Services

Description	2024-2025	2024-2025
	Kshs	Kshs
Tuition Fees	14,482,607	10,086,113
Activity Fees	1,505,401	1,270,790
Industrial Attachment Fees	1,443,618	957,580
Examination Fees	5,003,984	2,384,724
Admission fees	70,611	127,600
Student ID	25,950	55,000
Student Council	300,250	507,920
Insurance	125,212	250,435
Administration cost	3,389,653	2,927,726
Electricity, water and conservancy	1,645,676	1,430,189
Repair, Maintenance and Improvements	1,435,640	1,253,116
Transport (LT&T)	1,904,289	1,931,106
Medical	156,740	363,240
Personal Emolument	4,757,837	5,552,496
KUCCPS	178,000	76,200
Total Revenue from The Rendering of Services	36,425,468	29,174,235

7. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Hall hire	24,000	.0
Bus hire and other Production units	175,400	198,850
Computer packages	23,700	0
Cafeteria	18,025	0
Total Revenue from Sale of Goods	241,125	198,850

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8. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition	7,579,719	15,449,031
Industrial attachment costs	637,150	667,677
Electricity and water	490,977	468,045
Activity	1,492,610	2,004,861
Administration cost	10,912,558	7,925,267
Sewerage and Sanitation	272,930	165,478
Student Council	954,475	438,600
Advertising	211,000	64,500
Bank charges	32,131	28,589
Motor vehicle repair and maintenance	409,518	473,636
Production Unit	204,920	109,150
Office expense	3,035,609	1,802,360
Transport and local travel (L T&T).	1,828,065	1,391,602
Medical	14,000	30,450
Security	800,000	0
KUCCPS	1,534,750	0
Examination	7,787,731	0
Total good and services	38,198,143	31,019,246

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9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	9,157,704	8,222,531
Employee related costs - contributions to pensions and medical aids		-
Employee Costs	9,157,704	8,222,531

10. Board/Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Directors Emoluments	1,570,540	1,630,600
Total	1,570,540	1,630,600

11. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	7,647,417	9,888,601
Intangible assets	265,710	1,821,598
Total depreciation and amortization	7,913,127	11,710,199

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	1,260,642	693,025
Total Repairs and Maintenance	1,260,642	693,025

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13. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	510,568	2,777,459
M-Pesa deposits	-	-
Total Cash and Cash Equivalents	510,568	2,777,459

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank- Operations Account	1252776632	147,159	2,198,608.00
Kenya Commercial Bank- Tuition Account.	1252776799	66,054	503,601.00
National Bank- IGA Account	7700188823	297,355	75,250.00
Mpesa		0	0
Grand Total		510,568	2,777,459

14. Receivables from Exchange transactions

a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	13,227,716	11,493,836
Other Exchange Debtors	0	78,200
Total Current Receivables	13,227,716	11,572,036

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025	
	Kshs	
	Current FY	% of the total
Less than 1 year	4,719,281	40%
Between 1- 2 years	4,537,832	32%
Between 2-3 years	2,836,145	20%
Over 3 years	1,134,458	8%
Total	13,227,716	100%

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15. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores- Stationeries	439,700	51,690
Beauty Therapy	263,200	250
Fashion and design	171,600	0
Mechanical and Automotive	116,580	0
Agriculture inputs	0	15,700
Electrical stores	320,600	-
Food and Beverage	263,820	-
ICT	325,700	0
Building and Engineering	351,320	0
Catering & Farm stores	0	9,611
Total inventories at the lower of cost and net realizable value	2,252,520	77,251

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16. Property, Plant and Equipment

Cost	Land	Buildings 2%	Motor vehicles- 10%	Furniture and fittings- 12.5%	Computer s-30%	Plant and Equipment -6%	Other Assets (Tools)- 5%	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	0	3,547,608	0	2,905,788	202,500	742,591	221,074	0	7,619,561
Additions	0	916,186	155,000	-	198,890	759,595	52,264	0	2,081,935
Disposals	0	-	-	-	-	-	-	-	-
Revaluation	2,500,000	70,887,380	4,384,500	264,776	788,810	67,830,314	3,808,276	9,100,000	159,564,056
At 30th June 2024	2,500,000	75,351,174	4,539,500	3,170,564	1,190,200	69,332,500	4,081,614	9,100,000	169,265,552
Additions	5,001,750	0	0	3,051,013	609,794	83,572	0	7,516,886	16,263,015
Disposals	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
At 30th June 2025	7,501,750	75,351,174	4,539,500	6,221,577	1,799,994	69,416,072	4,081,614	16,616,886	185,528,567
Depreciation And Impairment									
At 1 Jul 2023	0	0	0	834,399	102,503	118,675	45,645	0	1,101,222
Depreciation	-	2,511,706	453,950	264,214	119,020	4,622,167	816,323	-	8,787,379
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 2024	-	2,511,706	453,950	1,098,613	221,523	4,740,842	861,968	-	9,888,601
Depreciation	-	1,507,024	453,950	777,697	539,998	4,164,964	204,081	-	7,647,714
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	4,018,730	907,900	1,876,310	761,521	8,905,806	1,066,049	-	17,536,316
Net Book Values	7,501,750	71,332,444	3,631,600	4,345,600	1,038,473	60,510,266	3,015,565	16,616,886	167,992,251
At 30th Jun 2024	2,500,000	75,351,174	4,539,500	3,170,564	1,190,200	69,332,500	4,081,614	9,100,000	159,376,950
At 30th Jun 2025	7,501,750	71,332,444	3,631,600	4,345,600	1,038,473	60,510,266	3,015,565	16,616,886	167,992,251

[WIP is the ongoing admin and class rooms.]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Base Mark Valuers Ltd in July 2024. These amounts were adopted in the financial statements Final statements for FY2023-2024.

17. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost	10%	10%
At beginning of the year	307,097	1,049,816
Additions	2,350,000	-
At end of the year	2,657,097	1,049,816
Additions–internal development	-	-
At end of the year	2,657,097	1,049,816
Amortization and impairment		
At beginning of the year	742,719	622,452
Amortization	265,710	120,267
At end of the year	1,008,429	742,719
NBV	1,648,668	307,097

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18. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Cattle	32,000	32,000
Pigs	105,000	0
Trees	1,698,000	1,698,000
Total	1,835,000	1,730,000

19. Trade and Other Payables

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade payables	11,765,753	819,540
Other Payables	-	-
Total Trade and Other Payables	11,765,753	819,540
Ageing analysis:		
	2024-2025	% of the Total
Under one year	11,765,753	100%
1-2 years	0	0%
2-3 years	0	0%
Over 3 years	0	0%
Total	11,765,753	100%

20. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	575
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	575

21. Financial Risk Management

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

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

(i) Credit risk

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

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

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

(ii) Liquidity risk management

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

(iii) Market risk

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

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

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

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

iv) Capital Risk Management

The objective of the Okame TVC's capital risk management is to safeguard the Okame TVC's ability to continue as a going concern.

Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

22. Events After The Reporting Period

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

23. Ultimate And Holding Okame TVC

The Okame TVC is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education and Higher learning. Its ultimate parent is the Government of Kenya.

24. 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	<p>Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position reflects current receivables from exchange transactions balance of Kshs. 11,572,036 as disclosed in Note 15(a) to the financial statements. Included in the receivables balance is an amount of Kshs. 7,424,953 which had been outstanding for more than one (1) year as at 30 June , 2024, as disclosed in Note 15(b) to the financial statements. Further, there were no policies on debt</p>	<p>Management acknowledges the audit observation regarding the receivables from exchange transactions totaling Kshs. 11,572,036, of which Kshs. 7,424,953 has been outstanding for more than one year as at 30 June 2024.</p> <p>We recognize that the absence of a formal debt management policy and provisioning framework for receivables older than 365 days is not fully compliant with the applicable accounting standards. To address this:</p> <p>1. Debt Recovery Measures – Management has initiated a comprehensive review of all</p>	Not resolved	30/12/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>management and provisioning for debts older than 365 days as required by the accounting standards.</p> <p>In the circumstances, the recoverability and fair valuation of the current receivables from exchange transactions balance of Kshs. 11,572,036 could not be confirmed.</p>	<p>long-outstanding receivables, including issuing demand letters, engaging customers directly, and exploring alternative dispute resolution mechanisms to enhance recoverability.</p> <p>2. Policy Development – A formal Debt Management and Provisioning Policy is currently being developed. This policy will outline procedures for credit risk assessment, aging analysis, and systematic provisioning for doubtful debts, ensuring compliance with IPSAS and other relevant standards.</p> <p>3. Provisioning Plan – Pending finalization of the policy, management will implement interim measures to assess and provide for receivables that may not be recoverable to ensure that future</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>financial statements reflect fair valuation of receivables.</p> <p>We are committed to strengthening internal controls around receivables management and expect full implementation of these measures before the end of the next financial year.</p>		
2	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs. 65,100,150 and Kshs. 46,142,082 respectively, resulting to under-funding of Kshs. 18,958,068 or 29% of the budget. Similarly, the College</p>	<p>Management takes note of the audit observation regarding the under-funding of Kshs.18,958,068 (29%) and corresponding under-expenditure of Kshs.20,809,209 (33%) for the year under review.</p> <p>The revenue shortfall was primarily due to delays in disbursements from expected funding sources i.e Payment by trainees who are considered as the primary customers which are collections from internally</p>	Resolved.	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>incurred actual expenditure of Kshs. 41,565,402 against approved budget of Kshs.62,374,611 resulting to under-expenditure of Kshs.20,809,209 or 33% of the budget.</p> <p>In the circumstances, the under-funding and under-expenditure affected the planned activities and many have impacted negatively on service delivery to the public.</p>	<p>generated revenues, such as tuition fees.</p> <p>Despite the funding shortfall, the College took a prudent approach by aligning expenditures to actual revenue received to avoid budget overruns. This resulted in under-expenditure, which, while necessary for fiscal discipline, inevitably affected the implementation of certain planned activities, including development projects and service delivery initiatives.</p>		
3	<p>Non-compliance with Law on Ethnic Composition</p> <p>Review of employee records maintained by Management revealed that during the year under review, the College had a</p>	<p>Management acknowledges the audit observation and agrees that the current ethnic composition of BOG employees is not fully compliant with the requirements of the National Cohesion and Integration Act, 2008.</p>	Not resolved	30/06/2026.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>total of fifty-two (52) employees out of which thirty-seven (37) or 71% were from one dominant ethnic community. This was contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which state that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community. In the circumstances, Management was in breach of the law.</p>	<p>The college's staffing situation arose due to historical recruitment practices, where emphasis was placed on hiring locally available candidates to address urgent staffing needs during the college's establishment phase. Recruitment largely drew applicants from the immediate surrounding areas including those surrendered the land to the college, which are predominantly occupied by the Iteso and the luyha community. Management is committed to aligning the staff composition with statutory requirements.</p>		
4	<p>Failure to Segregate Duties for</p>	<p>The observed lack of segregation was due to limited staffing and</p>	Resolved.	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Procurement Processes</p> <p>During the year under review, Management failed to segregate duties for crucial procurement processes such as procurement and inventory control. The Procurement Officer was responsible for procuring, receiving the goods, recording and issuance of the same. This was contrary to Regulation 24(1) of the Public Procurement and Asset Disposal Regulations, 2020, which states that for the purpose of section 45 of the Act and for a procuring entity to be able to make corporate decisions and for purposes of internal controls, the</p>	<p>resource constraints during the period. The institution had not yet fully staffed the procurement and stores departments, resulting in one officer handling multiple roles to ensure continuity of operations. Management recognizes that this arrangement posed a risk to the integrity, accountability, and transparency of procurement and inventory management processes.</p> <p>Way Forward:</p> <ol style="list-style-type: none"> Staff Reorganization: The College has undertaken a review and reorganization of the procurement and inventory control functions to ensure appropriate segregation of duties. The roles of procurement, goods receipt, recording, and issuance are now clearly assigned to different officers. 		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>procuring entity shall have segregated responsibilities. In the circumstances, the effectiveness of internal controls in respect to procurement and inventory management could not be confirmed.</p>	<p>2. Recruitment and Capacity Building: Plans are underway to recruit additional personnel to support procurement and stores operations. This will enhance internal controls and ensure that all roles are performed independently and in line with best practices.</p> <p>3. ERP System Implementation: The newly implemented ERP system now tracks procurement and inventory processes with clearly defined role-based access. This system enforces separation of duties electronically, reducing the risk of manipulation and enhancing accountability.</p>		

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A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by several loops and a vertical stroke, positioned above a horizontal dotted line.

Mr. Charles Marumbu

Principal- Okame TVC

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Appendix II: Projects Implemented by Okame TVC

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Administration block and 2 Class rooms	10,000,000	7,516,886	75%	10,000,000	7,516,886	Fees from Trainees

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