

REPUBLIC OF KENYA



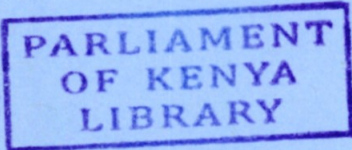
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF




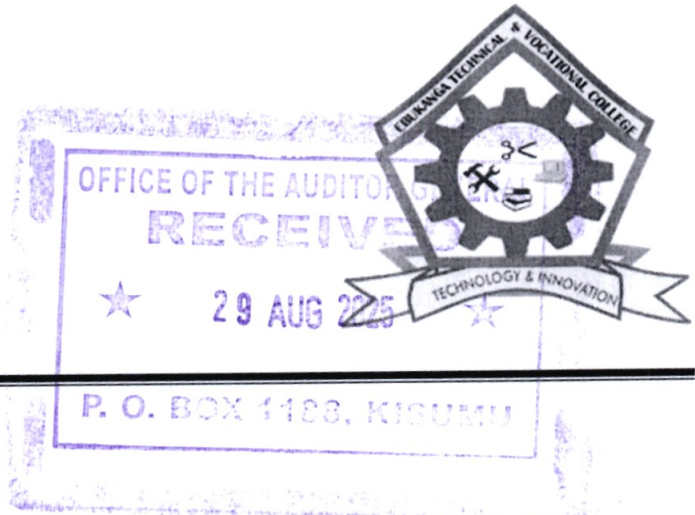
THE AUDITOR-GENERAL

ON

EBUKANGA TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. OWEN BAYA, MP	
LIBRARIAN: CHRISTINE HDIRITU	



EBUKANGA 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)



Ebukanga 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
TVC	Technical Vocational College
KATTI	Kenya Association of Technical Training Institutions
TVET	Technical Vocational Education and Training

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Ebukanga Technical and Vocational College is an accredited public technical and vocational education and training institution under the Ministry of Education, State Department of Technical and Vocational Education and Training. The college derives its mandate from the Technical and Vocational Education (TVET) Act of 2013.

The College receives full support from the National Government through grants (Capital and recurrent), training equipment and personnel. It was began through the Government initiatives to establish a TVET Institution in every constituency in Kenya in 2014. It was among the first sixty (60) first institutions under this initiative. It was however operationalized in January 2020 when the first Board was inaugurated and the first batch of trainees admitted.

It offers courses at three levels i.e. Artisan (level 4), craft certificate (level 5) and Diploma (level 6) in both technical and Business related areas. The college has begun playing a significant role in training of skilled manpower required by the various sectors of the economy.

Currently the College has the following Departments

- a) Mechanical and Automotive Engineering Department
- b) Electrical and Electronics Engineering Department
- c) Building and Civil Engineering Department
- d) Computing and Informatics Department
- e) Business Studies Department
- f) Liberal Studies Department
- g) Hospitality and Institutional Management

(b) Principal Activities

The principal activity/mission/ mandate of the Ebukanga Technical and Vocational College is to provide quality, relevant and market oriented technical training and scientific research for local and international market.

Vision

To be a world class college of excellence in technical, vocational education and training, research and innovations.

Mission

To provide quality, relevant and market oriented competency training, business incubator and scientific research for global needs.

Core values:

- i. Integrity
- ii. Innovation and creativity
- iii. Team work
- iv. Professionalism



- v. Customer focus
- vi. Accountability and transparency
- vii. Corporate social responsibility
- viii. Collaborative partnership

Objectives

The following below are our core objectives;

- To promote quality and market driven training for sustainable development.
- To promote research, innovations and enterprise for sustainable development.
- Ensure stable financial base through enhanced generation, mobilisation and efficient utilisation of financial resources.
- Promote institutional capacity profile and corporate image for comparative advantage.
- Build human resource capacity for quality service delivery.

(c) Key Management

Ebukanga Technical and Vocational College's day-to-day management is under the following key organs:

- Board of Governors/.
- Accounting officer/ Principal
- Top Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Newton Shivachi
2	Deputy Principal	Mr. Dickson I. Kisivuli
2.	Accounts clerk	Mr. Elias A.Mabinda
3.	Registrar	Mr. Oliver Lososi
4.	Dean of Students	Ms. Brigid N. Makhanu
5.	Procurement Officer	Mr. Benard Cheruiyot

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and Project Committee
2. Education, Training, Research and Human Resource Committee
3. Audit and Risk Committee
4. Kenya Revenue Authority
5. Office of the Auditor General
6. National Social Security Fund
7. TVET Directorate-Ministry of Education

(f) Ebukanga Technical and Vocational College Headquarters

Luanda-Esirulo road,
P.O. Box 549-50307
Luanda, Kenya

(g) Ebukanga Technical and Vocational College Contacts

Telephone: (254) 113295149 /0725 523839
E-mail: ebukangatechnical@gmail.com
Website: www.ebukangatvc.ac.ke

(h) Ebukanga Technical and Vocational College Bankers

- a) Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- b) Kenya Commercial Bank
Luanda branch
P.O box 892-50307
Luanda, Kenya




(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084- 00100
Nairobi, Kenya



(j) Principal Legal Adviser

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




3. Board of Governors

No.	Member/ Director	Details
1.	 <p>JACKSON MUYELA ANDAI (Chairman-BOG)</p>	<p>-Date of Birth- 1961 -Master of Business Administration (MBA-HR) Kenyatta University. -Transformative Leadership, SLDP, Project planning and management(Kenya School of Government) -TVET Trainer, overseen Quality Assurance and Policy implementation of TVET programmes -Served as County Director of TVET in various regions for over 10 years</p>
2.	 <p>HASSAN ABDI OMAR (Member-BOG)</p>	<p>Date of Birth- 1980 Experience- 18 years -Advanced Certificate in Curriculum Design and Instructional Material Development in India 2018 -Masters of Education (Curriculum Studies) _ University of Nairobi 2017. -Bachelor of Education (Science)- Kenyatta University 2006 -Diploma in Education Science –Physics, Chemistry and Physical Education_ Kenya Science Teachers Training Colleague 2002</p>
3.	 <p>CPA. IRINE NANZALA LUMATE (Member-BOG)</p>	<p>Date of Birth- 1983 Academic Qualification: -2020 to date → Masinde Muliro University of Science and Technology (PhD- Accounting) -2009 to 2011 → University of Nairobi (Master of Business Administration- Finance Option) -2002 to 2006 → University of Nairobi (Bachelor of Commerce- Accounting Option)</p> <p>Professional qualifications</p> <ul style="list-style-type: none"> <input type="checkbox"/> Certified Public Accountant (C.P.A K) <input type="checkbox"/> Certified Public Secretaries (C.P.S K) <input type="checkbox"/> Certified Trustee of Kenya <input type="checkbox"/> Certified Fraud and Forensic Examiner (Ongoing) <p>Experience achieved:</p>


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		<p>Chief Finance Officer- JOOUST Deputy Finance Officer (MMUST) Senior Accountant (MMUST) Internal Auditor- JKUAT) Internal Auditor (Kenya Institute of special Education (KISE) Accountant of the institute of internal auditor-Kenya chapter.</p>
4.	 <p>DR. NURWIN FOZIA RAJAB (Member-BOG)</p>	<p>Date of Birth- 1975 Lecturer in KAFUCO from 2018 to date, Part time lecturer in Kibabii University from 2013 to 2018 Purchasing manager at Nzoia Sugar Company, Senior assistance public relation officer at MU from 2005-2011, Procurement and logistics manager at Furniture Elegance 2004-2005 Branch Manager at Mega Mart Holdings from 1997 - 2000, Academic quality: PHD – Procurement and supply chain (JKUAT), Master’s degree - MBA strategic management (Kisii University), Bachelor’s degree – purchasing and marketing (Moi University)</p>
5.	 <p>GEORGE MIRIKAU MUSUKU (Member-BOG)</p>	<p>Date of Birth: May 1965 EMPLOYEMENT -Current - General Manager PFI bearings (FERSA group) Kenya Ltd – Dec 2022 to present -ZTM Limited Tanzania – Business Development Manager July 2021 to Nov 2022. -SKF Kenya mining mineral process cement segment specialist, sales and marketing manager - 2013 February to June 2020 -Maintenance Manager TATA chemicals Magadi – left in 2013 after working in various capacities from 1988. Technical education –Sept 2014 to July 2016 Technical University of Kenya - bachelor of philosophy in mechanical engineering technology. -Sept 2004 to November 2006 Mombasa Polytechnic – Higher National Diploma Mechanical Engineering (plant option)</p>

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<p>6.</p>	 <p>FELIX O. OKOTH (Member-BOG)</p>	<p>Date of Birth- 1979</p> <p>Professional qualifications: Software engineer</p> <p>Academic Qualifications: Master's degree - computer science (Maharishi University of management) Bachelor's degree - computer science (KU)</p>
<p>7.</p>	 <p>RODRICKS OWARE AMBUKA (County Government of Vihiga Representative)</p>	<p>County Government of Vihiga Representative</p>
<p>8.</p>	 <p>JOSEPH SUNGUTI (County Director TVET)</p>	<ul style="list-style-type: none"> -Masters of Distance Education, University of Nairobi. -B Ed degree (Finance, Accounting, Economics & Geography), University of Nairobi. -SLDP and SMC certificates, Kenya School of Govt -Trainer, teacher, curriculum developer and policy implementer -Experienced County Director of TVET more than 9 years



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9.	 <p>NEWTON SHIVACHI (Principal- Secretary BOG)</p>	<p>Date of Birth: 1983</p> <p>ACADEMIC QUALIFICATIONS Master of Science (Electronics and Instrumentation), Kenyatta University Bachelor of Education (Physics and Mathematics), Kenyatta University SMC certificate, Kenya School of Government</p> <p>WORK EXPERIENCE Principal – Ebukanga TVC Deputy Principal Administration – Michuki National Polytechnic Deputy Principal Academics – Michuki National Polytechnic Registrar - Michuki National Polytechnic Performance Contract Coordinator - Michuki National Polytechnic Head of Department - Michuki National Polytechnic Sports Officer - Michuki National Polytechnic</p> <p>Experience 16 years</p>
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Board Committees

Name of the Committee	Members
Audit and Risk Committee	<ol style="list-style-type: none"> 1. Dr. Nurwin Fozia Rajab 2. Governor Felix Okoth 3. CD Joseph Sunguti 4. Mr. Brian Chiluba (Internal Auditor)
Education, Training ,Research and Human Resource	<ol style="list-style-type: none"> 1. Governor Hassan Abdi Omar 2. Governor Felix Okoth 3. Governor Rodricks Oware Ambuka 4. Joseph Sunguti (County Director) 5. Mr. Newton Shivachi
Finance, Infrastructure and Strategies	<ol style="list-style-type: none"> 1. CPA. Irine Lumatete 2. Governor George Musuku 3. Governor Rodricks Oware Ambuka 4. Mr. Joseph Sunguti (County Director) 5. Mr. Newton Shivachi


4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>NEWTON SHIVACHI (Principal- Secretary BOG)</p>	<p>Date of Birth: 1983</p> <p>ACADEMIC QUALIFICATIONS Master of Science (Electronics and Instrumentation), Kenyatta University Bachelor of Education (Physics and Mathematics), Kenyatta University SMC certificate, Kenya School of Government</p> <p>WORK EXPERIENCE Principal – Ebukanga TVC Deputy Principal Administration – Michuki National Polytechnic Deputy Principal Academics – Michuki National Polytechnic Registrar - Michuki National Polytechnic Performance Contract Coordinator - Michuki National Polytechnic Head of Department - Michuki National Polytechnic Sports Officer - Michuki National Polytechnic</p> <p>Experience 16 years</p>
2.	 <p>DICKSON I. KISIVULI (DEPUTY PRINCIPAL)</p>	<p>-Degree of Technology in Electrical and Electronics Engineering</p>

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<p>3.</p>	 <p>OLIVER LOSOSI (Ag. REGISTRAR)</p>	<p>-Bachelor of Science Mechanical and Industrial Engineering</p>
<p>4.</p>	 <p>BRIGID N. MAKHANU (Ag. DEAN OF STUDENTS)</p>	<p>-Higher Diploma Mechanical Engineering(Production)</p>
<p>5.</p>	 <p>ELIAS A.MABINDA (ACCOUNTS ASSISTANT)</p>	<p>-Bachelors of Business Management(Finance) -CPA Part II</p>

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6.	 <p>BENARD CHERUIYOT (PROCUREMENT OFFICER)</p>	<ul style="list-style-type: none">-Post graduate Diploma in Technical Education-KTTC-Bachelor of Business Management(purchasing and supplies option)-Diploma in Business Management-Member Kenya Institute of Supplies Management
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5. Chairman's Statement

The Board of Governors of Ebukanga Technical and Vocational College hereby give this statement on the annual financial reporting of the institution.

We commend the college's finance team for their diligent and accurate reporting of financial statements and records. The financial statements were prepared in accordance with the generally accepted and accurately reflect the financial position of the college. We reviewed the auditor's report and found no material misstatements in the financial statements audited.

The Board of Governors is pleased to note although the college's financial position was affected by delayed and reduced disbursement of capitation, hard work and commitment of the management and staff in delivering quality education and training to our trainees is commendable. We thank them their dedication and efforts and urge them to maintain sound financial management practices.

The Board is committed to continuous improvement of the college's financial management practices. We will continue to focus on financial accountability and transparency, ensuring that the college's finances are managed in accordance with the best practices and applicable regulations.

Finally, the Board affirms its commitment to providing quality, technical and vocational education and training to trainees, while also ensuring that we manage the institutions financial resources in a responsible manner. Our goal is to maintain a strong and sustainable financial position for the college while also ensuring that we meet the needs of our trainees and community.

Signature.....

Date.....27/8/2025.....

Mr. Jackson M. Andai
Chairperson Board of Governors

6. Report of the Principal

As the Principal of Ebukanga Technical and Vocational College, it is my pleasure to present the Annual Report and Financial Statements of the college for the Financial Year 2024/2025. During the year, we rolled out nineteen Competence Based Education and Training (CBET) courses. We carried out different forms of marketing to boost enrolment.

Four trainers were posted to the college by the Public Service Commission while four were recruited internally by the Board bringing the total number trainers to thirty five. The Board recruited a second Accounts Clerk in the year. A good number of trainers attended trainings on various aspects of curriculum implementation and management.

We made some investment in equipping our academics Departments to provide a better learning experience for our trainees. We invested in materials and equipment for Electrical engineering, Building Construction Technology, Automotive Engineering, Hospitality and ICT. The Building and Civil Engineering Department Trainees under the supervision of their Trainers skilfully used their training materials to construct a workshop structure for their practical lessons. Apart from curriculum implementation, we exposed the Trainees to Co-curriculum activities in the year.

Financially, we did not perform very well. The college did not realise the expected enrolment and Government funding. Delayed funding and reduced capitation affected performance of the budget. Most of the trainees dropped out due inability to pay for examinations as most of our trainers are extremely needy. This caused fluctuations in enrolment.

The college was not handed over as anticipated. Delay in completion of electrical works in the workshops was another challenge that led to increased training cost as we had to train practical lessons in other institutions. Fire fighting equipment was not installed. Valuation of the college property was not possible due to inadequate funds for the exercise.

Signature:.......... Date.....27/8/2025.....

Mr. Newton Shivachi
Principal



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7. Statement of Performance against Predetermined Objectives

Ebukanga Technical and Vocational College developed a strategic plan for the period 2023-2027. During the plan period 2023-2027, the college will implement the following pillars.

- (a) Training;
- (b) Research, innovation and Enterprise
- (c) Financial growth and sustainability
- (d) Institutional strengthening and positioning
- (e) Human resource development

Ebukanga TVC has developed its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan will be done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1: Training	Promote quality and market driven training for sustainable development	Curriculum delivery	<ul style="list-style-type: none"> ➤ Teaching methodology ➤ Upgrade staff skills ➤ Develop & implement academic policy ➤ Enhance monitoring, evaluation and reporting ➤ Audit the existing programs ➤ Timely & adequate provision of training materials 	<ul style="list-style-type: none"> • Academic policy developed & implementation on going. • 75% provision of training materials through procurement
		Limited curriculum programs	<ul style="list-style-type: none"> ➤ Diversification of training programs ➤ Carry out training needs assessment (TNA) 	<ul style="list-style-type: none"> • Training programs diversified by introduction of new courses such as Food and beverage
		Appropriateness and relevance of courses	<ul style="list-style-type: none"> ➤ Develop new training programs ➤ Regular auditing of enrolment in various programs ➤ Review training programs ➤ Develop a hand book for different courses ➤ Marketing 	<ul style="list-style-type: none"> • Marketing has been done
		Low enrolment	<ul style="list-style-type: none"> ➤ Intensify marketing strategies ➤ Promote Corporate Social Investments (CSI) 	

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		Employability of Graduates	<ul style="list-style-type: none"> ➤ Carry out tracer studies ➤ Enhance industrial linkages and attachments 	<ul style="list-style-type: none"> • Industrial linkages and attachments enhanced. • Partnership and Collaboration Technical Committee (PCTC). Industrial mapping, sensitization and compatibility assessment done
		Unknown levels of impact of the training programs to graduates	<ul style="list-style-type: none"> ➤ Conduct Tracer studies ➤ Baseline survey to develop monitoring tools ➤ Formation of alumni group 	
2: Research, Innovation & Enterprise Development	Promote research, innovations and enterprise for sustainable development	Low research uptake and outputs: Fragmented (uncoordinated) implementation of STI programs	<ul style="list-style-type: none"> ➤ Develop & implement research & IP policy ➤ Promote Capacity building of staff & students through training, attachment/bench marking on STI 	<ul style="list-style-type: none"> • Research & IP policy at draft stage • Participation in KATTI Western Region TVET fair
			<ul style="list-style-type: none"> ➤ Develop and implement appropriate research and extension programs through the STI Strategy Create awareness on STI ➤ Promoting research activities by dissemination through Symposium, Internal academia program, Seminars, and conferences ➤ Promote gender participation in research 	<ul style="list-style-type: none"> • Promotion of gender participation in research with female trainees taking part in TVET fair
		Few strategic partnerships and collaborations	<ul style="list-style-type: none"> ➤ Promote participation of students and staff in national development ➤ Establish multi-disciplinary & multi-institutional team for collaborative research and development ➤ Facilitate acquisition and development of new and emerging technologies 	<ul style="list-style-type: none"> • Establishment of multi-disciplinary & team for collaborative research and development
		Inadequate resources for research activities	<ul style="list-style-type: none"> ➤ Allocate at least 2% of the recurrent budget 	

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			<p>for STI (R&D) activities</p> <ul style="list-style-type: none"> ➤ Allocate funds for expansion of STI infrastructure 	
		Low technology development, transfer & diffusion of research outputs	<ul style="list-style-type: none"> ➤ Develop and implement Intellectual Property policy ➤ Strengthen industry-academia linkages for commercialization 	
3: Financial growth and sustainability	Ensure stable financial base through enhanced generation, mobilization and efficient utilization of financial resources	Inadequate and unstable funding	<ul style="list-style-type: none"> ➤ Establish & operationalize productivity mainstreaming committee ➤ Develop strategies for diversified revenue generation ➤ Create awareness of productivity mainstreaming for all staff ➤ Develop college productivity improvement strategy ➤ Strengthening revenue streams e.g. facilitation of trainees to apply bursary, HELB ➤ Lobby for increased funding from Government and the county government 	<ul style="list-style-type: none"> • Establishment and operationalization of productivity mainstreaming committee • Revenue streams strengthened
		Declining allocation of training budget in the public sector	<ul style="list-style-type: none"> ➤ Develop and implement finance policy ➤ Develop and implement procurement policy ➤ Enhance efficiency in utilization of resources 	<ul style="list-style-type: none"> • Finance policy developed and implemented • Procurement policy developed and implemented • Resources utilised efficiently
		Discrepancy in revenue generation and expenditure	<ul style="list-style-type: none"> ➤ Develop and implement cost cutting strategy ➤ Enhancing efficiency in utilization of resources ➤ Management of colleges debt levels ➤ Proper asset management of the college 	<ul style="list-style-type: none"> • Resources utilised efficiently • Debt levels manageable • Asset managed properly • Provision of timely and reliable financial reports for decision making

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			<ul style="list-style-type: none"> ➤ Provision of timely and reliable financial reports for decision making 	
4: Institutional Strengthening and Positioning	Promote institutional capacity profile and corporate image for comparative advantage	Inadequate physical infrastructure	<ul style="list-style-type: none"> ➤ Develop and Implement the infrastructural plan ➤ Develop and update asset management plan and implement it ➤ Renovate and modernize existing infrastructures 	
		Unstructured physical planning	<ul style="list-style-type: none"> ➤ Develop & Implement the infrastructural plan 	
		Inadequate transportation means	<ul style="list-style-type: none"> ➤ Develop a fleet management plan ➤ Implement a fleet management plan 	
		Weak linkages with the industry and other partners	<ul style="list-style-type: none"> ➤ Establish and operationalize linkages with industries and institutions through policy ➤ Initiate & operationalize office of career services ➤ Capacity building CS office to build more linkages 	<ul style="list-style-type: none"> • Linkages with industries policy at draft • Office of Career Services (OCS) operational
		Low level of application of ICT in the College's operations	<ul style="list-style-type: none"> ➤ Develop and Implement the ICT policy ➤ Establish and operationalize digitalization committee ➤ Continuous capacity building for all the staff ➤ Undertake needs and risk analysis in ICT through surveys 	<ul style="list-style-type: none"> • ICT policy at draft stage
5: Human resource capacity development	Build human resource capacity for quality service delivery	Inadequate qualified staff	<ul style="list-style-type: none"> ➤ Develop HR Policy to address the following: Recruitment of qualified staff ➤ Liaise with Public service commission for more trainers ➤ Motivation programs for recognition of best performers 	<ul style="list-style-type: none"> • HR Policy developed • Additional PSC trainers posted

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			<ul style="list-style-type: none"> ➤ Regular review of terms and conditions of service 	
		High staff turnover because of low remuneration	<ul style="list-style-type: none"> ➤ Implement the HR policy ➤ Strengthen the Corporate affairs and communication 	
		Institution culture for succession management	<ul style="list-style-type: none"> ➤ Develop Succession plan ➤ Develop and implement staff capacity building plan 	
		Inculcate positive institutional culture	<ul style="list-style-type: none"> ➤ Bench mark to develop a model organizational culture ➤ Implement the existing policies i.e. ISO and QMS 	

8. Corporate Governance Statement

The members of the board have committed themselves to the service of Ebukanga Technical and Vocational College and to uphold the tenets of good corporate governance by being innovative, accountable, persons of integrity, socially responsive, transparent as well as to exercise fairness in all their deals. The board consists of nine members inclusive of the Principal as the secretary of the board.

Mandate of the board

The board members constitute the governing body that jointly oversee activities of Ebukanga Technical and Vocational College. It oversees strategic direction, exercise control and are accountable. They provide effective leadership, enterprise, integrity and good judgment.

Appointment of board members

The board consists of nine members. It consists chairperson, representative of Principal Secretary in the Ministry of Education responsible for Technical and Vocational Training, representative of the County Governor of Vihiga County and other 5 members appointed on the basis of their knowledge and experience in leadership and management, financial management, technology, industry, engineering and information communication technology and Principal who is the secretary to the board..

The term limit for the board is three years from the date of appointment and members are eligible for reappointment for one further term period not exceeding three years.

Term of office

Unless the appointment of the chairperson or a member of a Board of Governors is earlier terminated under TVET Act 2013, a person appointed as chairperson or as a member shall hold office for a term of three years from the date of appointment and shall be eligible for re-appointment for one further term of a period not exceeding three years. In appointing and reappointing members of Boards of Governors, the Cabinet Secretary shall stagger the commencement dates of some members to maintain a proportion of new membership that ensures continuity in the affairs of the Boards of Governors. Notwithstanding the foregoing, a person who has served as a member of a Board of Governors for one term at the date of the commencement of TVET Act 2013 may be re-appointed for a second and final term of three years.

Resignation from the Board of Governors

A member of a Board of Governors may at any time resign by giving notice in writing to the cabinet Secretary and the person giving notice under the act shall cease to be a member of the Board from the date specified in the notice or, if no date is specified, from the date of the receipt by the Cabinet Secretary or the Secretary to the Board, as the case may be.

Revocation of appointment and vacation of office

The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member;

- Resigns
- Becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors;

- Is sentenced by a court of law to imprisonment for a term of six months

Roles and functions of the board

According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed

Induction, training, and development

The current board of governance was inaugurated on 2nd February 2023 and inducted in April the same year. The board has 3 committees which are Audit and Risk Committee, Education, Training, Research and Human Resource committee and Finance, Infrastructure and Strategies committee. The board is expected to meet at least once every four months and the chairperson presides at every meeting at which the chairperson is present and in the absence, the chair delegates to a member to chair the meeting and the business transacted there at shall have all the powers of the chairperson.

Board and members performance

The board of governors of Ebukanga Technical and Vocational held four full board meetings and its three committees also held four committee meetings. The meetings were held in July 2024, September 2024, January 2025 and April 2025

Policy to manage conflict of interest.

If a member is directly or indirectly interested in any contract, proposed contract or other matter before a Board of Governors and is present at a meeting of the Board of Governors at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.

A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made and a member of the Board of Governors who contravenes this commits an offence and shall be liable to a fine of fifty thousand shillings, or to imprisonment for a term of six months, or to both.

Board remuneration

Remuneration of the members of the Board of Governors is done in respect of their services is approved by the Cabinet Secretary. In the FY 2024/2025 the board members were paid Ksh. 7,000 per sitting while the Chairperson was paid Ksh. 10,000. Besides the Chairperson of the board was paid Ksh. 10,000 monthly as chairperson's honoraria.

Ethics and Conduct

- In carrying out its functions as provided for under TVET Act 2013, a Board of Governors shall— Uphold the provisions of TVET Act 2013;
- Ensure consultation with the Cabinet Secretary or the responsible Cabinet Secretary and appropriate regulatory bodies and effective participation of stakeholders in matters relating to the governance and promotion of training by the institution.
- No person shall serve as a chairperson or member in more than one Board.
- No person shall participate in any proceedings or otherwise conduct the business of the Committee of Board without first being appointed.

Decision making by the board

Unless a unanimous decision is reached, a decision on any matter before the board of governance is by the majority of the votes of the members present and in the case of an equality of the votes, the chairperson or the person presiding shall have a casting vote.

9. Management Discussion and Analysis

Ebukanga TVC operational and financial performance

The college is a public institution that offers courses in technical and ICT, hospitality and business studies at three levels. The levels are Diploma(level 6) which the minimum requirement is KCSE C-(minus) grade, Certificate (level 5) which the minimum requirement is KCSE D (plain) grade and Artisan(level 4) whose requirement is KCSE D-(minus) grade and below. The trainees are examined by 2 examination bodies which are Kenya National Examination Council (K.N.E.C) and TVET Curriculum Development, Assessment and Certification Council (TVET CDACC).

In the F/Y 2024/2025 the number of new trainees enrolled increased were 684 as compared to 145 trainees that were admitted in the F/Y 2023/2024. The College has 37 trainers and 7 support staff. Of the 37 trainers, 16 trainers are from Public Service Commission and 21 trainers on BOG terms.

The college majorly relies on Government funding, and fees paid by students to finance its operations. Due to reduction in enrolment and grants from GOK, the institution has not been able to meet its obligations and there exists a large amount of pending bills from quarter to quarter. In addition, the delay in release of Capitation and HELB has caused the college not to implement projects in the budget as anticipated. There has been inadequate cash-flow to achieve most of the intended productive activities such as marketing to improve on enrolment, payment of workers' salaries, purchase of text books and furnishing of the library, repair of porous fence, purchase of adequate materials and equipment for training, construction of workshops for various disciplines, installation of lightening arrestors and fire fighting equipment among others. Furthermore, the institution has had a challenge with electricity and that has affected training in mechanical engineering.

The tuition fees for each trainee is set at Ksh. 67,189 for the new funding model that was introduced in the FY 2023/2024 from the previous Ksh. 56,420 that was being charged in the old funding system. The new funding model divided the fees into three proportions; scholarship, loan and household to be paid by trainee. The amount of scholarship, loan and household for every trainee is determined by Means Testing Instrument (MTI) assessment carried out by Higher Education Loans Board (HELB) and which categorises learners in four possible batches as shown in the table below;

Need level	Scholarship		Loan		Household		Total fees
	%	Amount	%	Amount	%	Amount	
Band 1(Vulnerable)	70%	47,032	22.5%	15,118	7.5%	5,039	67,189
Band 2(Extremely Needy)	60%	40,313	28%	18,813	12%	8,063	67,189
Band 3(Needy)	50%	33,595	32%	21,500	18%	12,094	67,189
Band 4(less Needy)	40%	26,876	38%	25,532	22%	14,781	67,189

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In the FY 2024/2025 the college received a total of Ksh. **5,157,386** from the government of Kenya through the Ministry of Education in the F/Y 2024/2025 as compared to Ksh. **7,084,647** in the F/Y 2023/2024. Out of Ksh, 5,157,386 received from the government of Kenya, Ksh. 1,499,481 was recurrent grants, Ksh. 1,226,756 was capitation and Ksh. 2,431,149 as Scholarships grants.

Ebukanga TVC’s compliance with statutory requirements

In the period under review, Ebukanga Technical and Vocational College has complied with statutory requirements such as PAYE, NHIF, NSSF, NITA, affordable housing levy etc.

Key projects and investment decisions Ebukanga TVC is planning/implementing

The institution plans to build a multipurpose workshop by seeking grants from government

Major risks facing Ebukanga TVC

The major risks faced by the institution is the credit risk which arises from complete failure of students’ ability to pay fees. Furthermore, the government capitation has been delaying or not remitted for some quarters leading to the trainees being invoiced. Other risks are liquidity risk that is associated with the college being unable to meet its short-term obligations due to cash-flows problems and the risk associated with competition from other institutions in the same education industry not only in the locality but countrywide due to lack of capacity to introduce more courses and lack of amenities (hostels and catering facilities) for students. The risk of destruction of property due to lack of lighting arrestors and fire fighting equipment is also high.

The Institute’s financial probity and serious governance issues

During the period under review, there was changes in the management where the college received a new principal to replace Principal Clara A. Timothy who was transferred to Sirisia TVC. The handing over ceremony was carried out on 4th November 2024. The new principal is called Mr. Shuma Newton Shivachi.

1.	Governor. Jackson M. Andai	Chairman
2.	CPA. Irine Nanzala Lumatete	Member
3.	DR. Nurwin Fozia Rajab	Member
4.	Governor. Felix O. Okoth	Member
5.	Governor. Hassan Abdi Omar	Member
6.	Governor George Musuku	Member
7.	Mr. Rodricks Oware Ambuka	(County Government of Vihiga Representative)
8.	Mr. Joseph Sunguti	Member- TVET- County Director
9.	Mr. Newton Shivachi	Principal/Secretary BOG

10. Environmental and Sustainability Reporting Statement

Ebukanga TVC being a public college embraces the policy of the corporate social responsibility (CSR) through engaging itself with the following social responsibility:

- a) Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well work study programme.
- b) Offering both social and economic support to external community through provision of casual labour opportunity and suppliers when opportunities arises
- c) Offering careers advices to students through Office of Career Services (O.C.S).
- d) Offering internship and industrial attachment to youth from surrounding community institutions in Kenya.
- e) Environmental activities which includes planting of trees and giving out free tree seedlings to the community for planting.

Sustainability strategy and profile

a. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

b. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

c. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community



Staff and trainees planting trees in the college during greening of the college

- b. Solid Waste management
 - ✓ disposal of wastes
 - ✓ policies on re-cycling
- c. Emission control
 - ✓ control on gases emitted to the environment

- d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

Employee welfare

The Institute with the support of the Board Members intends to develop the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices-

Responsible Competition Practice

Anti -corruption

- Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 56,420 for old funding model as Ksh. 67,189 for the new funding model as capped by the Ministry of Education.
- The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.

Political involvement

- The institute liaises with the area leadership for community service where cleaning the area around the institute.

Fair competition

- The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and TVET Curriculum Development, Assessment and Certification Council (TVET CDACC) to ensure that what is offered at Ebukanga TVC is similar to what is offered in other institutions.
- Entry criteria for the program and the entry requirements for the students are clearly defined and this allows the college to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.
- The institute participates in trade fairs which are organized by Kenya Association of Technical Training Institutions (KATTI) for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.

Responsible Marketing and Advertisement

Efforts to maintain ethical marketing practices

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- The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
- The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
- Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

Product Stewardship

Efforts to safeguard consumer rights and interests

- There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
- There is a service charter that is prominently displayed at the college's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

Corporate Social Responsibility / Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the financial year 2024/2025 which show the state of the Ebukanga Technical and Vocational College's affairs.

Principal activities

The principal activities of the Ebukanga Technical and Vocational College is to provide quality, relevant and market oriented technical training and scientific research for local and international market.

Results

The results of the Ebukanga Technical and Vocational College for the financial year 2024/2025 are set out on page 1 to 6.

Council/Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the Ebukanga Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants nominated by the Auditor General to carry out the audit of the Ebukanga Technical and Vocational College for the year 30th June 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Mr. Newton Shivachi
Principal

Date... 27/8/2025



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12. Statement of Board of Governors' Responsibilities

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

The board members are responsible for the preparation and presentation of the Ebukanga Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Ebukanga Technical and Vocational College for and as at the end of the financial period ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Ebukanga Technical and Vocational College; (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 Ebukanga Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

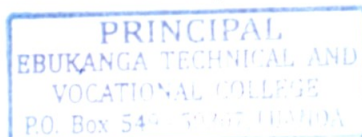
Nothing has come to the attention of the council members to indicate that the Ebukanga Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Ebukanga Technical and Vocational College financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:

.....


Mr. Jackson M. Andai
Chairperson of the Board



.....


Mr. Newton Shivachi
Principal

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EBUKANGA 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 Ebukanga Technical and Vocational College set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with

the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ebukanga 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Revenue from Rendering of Services

The Statement of Financial Performance reflects Revenue from Exchange Transactions for Rendering of Services – fees from students as Kshs.48,689,067 and as disclosed in Note 8 to the financial statements. The amount differs with invoiced fees as per general ledger account extracted from the Intellimis system which reflects Kshs.48,673,549, resulting in an unreconciled variance of Kshs.15,518.

In the circumstances, the accuracy and completeness of the reported "Rendering of Services – Fees from students amounting to Kshs. Kshs.48,689,067 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.60,025,800 and as analysed in Note 20 to the financial statements. The balance comprises of the net book values of Kshs.3,000,000 for land, 1,622,216 for buildings, Kshs.2,088,626 for furniture and fittings, Kshs.332,988 for computers, Kshs.52,011,658 for plant and equipment and Kshs.909,342 for work in progress. However, the detailed schedules for the various assets under the categories listed for buildings, furniture and fittings, computers, plant and equipment and work in progress were not provided for audit review instead block figures were given. Additionally, it was noted that since inception the entity's assets have never been revalued and thus, the balances reported for property, plant and equipment is an estimate that management could not support. Lastly, it was noted that the net book value for buildings of Kshs.1,622,216 does not include the administration block that was constructed by the mentor institution, Friends College Kaimosi and handed over to the entity.

In the circumstances, the balance of property, plant and equipment of Kshs.60,025,800 could not be confirmed.

3. Unsupported Depreciation and Amortization Expense

The statement of financial performance and Note 14 to the financial statements reflects an amount of Kshs.11,050,363 in respect of depreciation and amortization expenses. The account balance was however not supported with depreciation and amortization detailed schedules for the assets that were depreciated/amortized.

In the circumstances, the amount of Kshs.11,050,363 could not be confirmed.

4. Unreconciled Variance in Receivables

The statement of financial position includes receivables from exchange transactions amounting to Kshs.11,612,431 as disclosed in Note 18 and receivables from non-exchange transactions amounting to Kshs.34,171,106 as disclosed in Note 19 of the financial statements hence total receivables from exchange and non-exchange amount to Kshs.45,783,537. However, a review of the ledgers in the Intellimis system provided for audit reflects Kshs 49,053,112 resulting to unreconciled variance of Kshs.3,269,575. Further analysis revealed that the system did not provide a detailed Consolidated Ageing Analysis and the system also failed to differentiate the amounts from either receivable from non-exchange or from exchange receivables.

In the circumstances, it was difficult to confirm the accuracy of the respective amounts. Consequently, the accuracy of the financial statements could not be confirmed

5. Unreconciled Payments Received in Advance

The Statement of financial performance reflects Revenue from Payments received in advance as Kshs.1,083,521 as disclosed in Note 22 to the financial statements. However, the ledgers extracted from the revenue system totals to Kshs.1,646,061 resulting in an unreconciled variance of Kshs.562,540.

In the circumstances, the accuracy and completeness of the reported payments received in advance amounting to Kshs.1,083,521 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ebukanga 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

Review of the supplementary budget, revealed that the original budget had provided an allocation of Kshs.25,000,000 for development projects. However, this allocation was removed in the supplementary budget, resulting in no provision for development expenditure. The adjustment significantly altered the balance between recurrent and development spending, with all resources redirected to recurrent expenditure. This raises concerns regarding compliance with the Public Finance Management Act, 2012, which emphasizes prioritization of development expenditure, and such action undermines the credibility of the budgeting process. It was further noted that Ebukanga Technical and Vocational College did not disclose budget carryovers amount of Kshs.1,375,725 from the previous fiscal year in its current year financial statements or budget reports, this omission resulted in an incomplete representation of available resources, potentially affecting budget execution.

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, 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 report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2025 as detailed:

	FY	Issues
1	2014-2025	Long outstanding Receivables from Exchange Transactions
2		Lack of Valuation Reports and incomplete Assets Register
3	2014-2025	Lack of Staff Establishment
4	2014-2025	Non-Compliance with Requirements in Ethnic Diversity
11	2014-2025	Inadequacies in the Scope of Work Covered by Internal Audit Function
12	2014-2025	Insufficient Meetings held by the Audit Committee

Other Information

The Management is responsible for the Other Information set out on page iii to xxxi which comprise of Key Entity Information and Management, The Council/Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council/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 Institute'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. Failure to Update Imprest Register

The audit established that although the college has an imprest register, it is not regularly updated to reflect imprest advances, reimbursements, and expenditures. Several transactions were processed without being recorded, resulting to incomplete and outdated records. The management's failure to update the imprest register is therefore a direct breach of Regulation 93(4), undermining compliance with statutory financial management requirements and exposing the college to risks of unrecorded liabilities and weak accountability.

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

2. Non-Compliance with Requirements in Ethnic Diversity

Review of human resource records as at 30 June 2025, revealed that 76% and 87% of the staff recruited by the Board of Governors and Public Service Commission respectively were from one dominant ethnic community contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008.

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

3. Understaffing in Critical Departments

Review of the staff establishment as at 30 June, 2025, revealed that the college lacked staff in some key departments as detailed in the table below.

Department	Required number	Current Status
Non-academic staff		
Human Resource Management and Administration	1	0
Accountant	1	0
Store Keeper	1	0
Office Administration- Secretary	1	0
Office Administration- Customer Care	1	0
Housekeeper-Cleaners	4	2
Technicians	7	0
Internal Audit	1	0
Library	1	0
IGU	1	0
Academic staff		
Cosmetology and Fashion Design	6	2

In the circumstances, understaffing may lead to decreased productivity and lower quality of work due to low morale and overworked employees.

4. Trade and Other Payables

The statement of financial position reflects trade and other payables amounting to Kshs.3,393,613 as disclosed in Note 21 of the financial statements. In the year under audit, Trade and Other Payables increased from Kshs.2,490,293 to Kshs.3,393,613 representing an increase of Kshs.903,320 owed to suppliers. Accumulation of unpaid obligations may strain the College cash flow position in subsequent years, potentially affecting its ability to settle liabilities when due. This situation may also disrupt service delivery, damage the College's credibility with suppliers, and increase the risk of interest charges or legal claims from delayed payments. Additionally, management did not provide the ageing analysis indicating long outstanding dues for over 120 days, 90 days, 60 days, and 30 days. Payables are recorded in aggregate without classification by due date or length of outstanding period.

In the circumstances, Management may incur extra charges for failure to settle bills in time.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Incomplete Assets Register

The assets register provided for audit review was incomplete in that some categories of assets lacked purchase values, values for depreciation and the net book values. For example, category of plant and machinery, furniture and fittings, ICT computer and work in progress. Management did not explain why it has not conducted a full inventory of all assets, to establish their correct values and update the register to reflect true holdings.

2. Lack of an Approved Business Continuity and Disaster Recovery Plan (BCP & DRP)

The audit established that the Ebukanga Technical and Vocational College had not developed, approved, or tested a Business Continuity or Disaster Recovery Plan for

the Enterprise Resource Planning Platform. The absence of formal continuity and recovery frameworks heightens the risk of prolonged service outages, data loss, and reputational damage in the event of infrastructure failure, cyber incidents, or other disruptions.

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

Responsibilities of the Management and Board of Governors

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

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

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

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

The Board of Governors are responsible for overseeing the Institute'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

05 December, 2025

Ebukanga 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 30th June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	5,157,386	7,084,647
Donation for furniture fabrication	7	100,000	
		5,257,386	7,084,647
Revenue from Exchange transactions			
Rendering of services- fees from students	8	48,689,067	13,291,665
Sale of goods	9	33,080	37,200
Miscellaneous income	10	29,695	10,100
Revenue from Exchange transactions		48,751,842	13,338,965
Total Revenue		54,009,228	20,423,612
Expenses			
Use of goods and services	11	15,983,730	8,844,060
Employee costs	12	4,706,216	3,905,614
Board Expenses	13	950,652	1,103,155
Depreciation and amortization expense	14	11,050,363	10,995,190
Repairs and maintenance	15	274,330	5,500
Finance costs	16	17,521	10,852
		32,982,812	24,864,371
Net surplus/(deficit) for the year		21,026,416	(4,440,759)

(The notes set out on pages 7 to 33 form an integral part of the Annual Financial Statements).

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

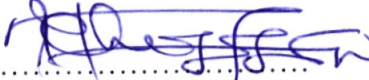
MR. JACKSON M. ANDAI

MR. NEWTON SHIVACHI

CPA. HESBORN EHAJI


.....


.....


.....

Chairman of Board

Principal

Finance Officer



ICPAK No. 11369

Date 27/8/2025

Date 27/8/2025

Date 27/8/2025

Ebukanga 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	17	668,831	1,275,057
Receivables from exchange transactions	18	11,612,431	6,746,569
Less: provision for doubtful debts from exchange transactions @ 10%		(1,161,243)	(674,657)
Receivables from non-exchange transactions	19	34,171,106	14,352,332
Less: provision for doubtful debts from non-exchange transactions @ 10%		(3,417,111)	(1,435,233)
Total Current Assets		41,874,014	20,264,068
Non-Current Assets			
Property, plant, and equipment	20	60,025,800	70,246,541
Total Non-Current Assets		60,025,800	70,246,541
Total Assets		101,899,814	90,510,609
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	3,393,613	2,490,293
Payments received in advance	22	1,083,521	1,436,741
Total Current Liabilities		4,477,134	3,927,234
Total Liabilities		4,477,134	3,927,234
Net Assets		<u>97,422,680</u>	<u>86,583,375</u>
Revaluation reserve		177,540	177,540
Accumulated Surplus		40,080,855	18,191,074
Capital Fund		57,164,285	68,214,648
Total Net Assets and Liabilities		<u>97,422,680</u>	<u>86,583,262</u>

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

MR. JACKSON M. ANDAI

MR. NEWTON SHIVACHI

CPA. HESBORN EHAJI







Chairman of Council/Board

Principal

Finance Officer

Date 27/8/2025

Date 27/8/2025

ICPAK No. 11369

Date 27/8/2025



16. Statement of Changes in Net Asset for the Year Ended 30th June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	11,636,643	79,209,838	90,846,481
Revaluation gain	177,540			177,540
Surplus/(deficit) for the year		(4,440,759)		(4,440,759)
Capital grants received during the year				
Fair value adjustment on investments				
Transfer of depreciation/amortisation from capital fund to Retained earnings		10,995,190	(10,995,190)	-
At June 30, 2024	177,540	18,191,074	68,214,648	86,583,262
At July 1, 2024	177,540	18,191,074	68,214,648	86,583,262
Revaluation gain				
Surplus/(deficit) for the year		21,026,416		21,026,416
Capital grants received during the year				
Fair value adjustment on investments		863,365		863,365
Transfer of depreciation/amortisation from capital fund to Retained earnings			(11,050,363)	(11,050,363)
At June 30, 2025	177,540	40,080,855	57,164,285	97,422,680

Note:

Adjustment of Ksh. 863,365 has been made to accumulated fund. The amount relates to the debt of Ksh. 863,365 owed to Friends Kaimosi National Polytechnic that was waived off during handing over of the college by Friends Kaimosi National Polytechnic to the Board of Governor of Ebukanga Technical and Vocational College on 30th January 2025.

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

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

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		5,157,386	7,084,647
Donation for furniture fabrication		100,000	
Rendering of services- fees from students		11,176,236	6,015,302
Sale of goods		33,080	37,200
Miscellaneous income		29,695	10,100
Total Receipts		16,496,397	13,147,249
Payments			
Use of goods and services		10,770,458	8,083,329
Employee costs		4,410,773	3,570,314
Board Expenses		703,269	1,103,155
Repairs and maintenance		274,330	5,500
Total Payments		16,158,830	12,762,298
Net Cash Flows from operating activities		337,567	384,951
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(943,792)	(485,620)
Net cash flows used in investing activities		(944,742)	(485,620)
Net Increase/(Decrease) in Cash and Cash equivalents		(606,225)	(100,669)
Cash and Cash equivalents at 1 JULY 2024		1,275,057	1,375,725
Cash and Cash equivalents at 30 JUNE 2025	17	668,831	1,275,057

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
Transfers from other National Government entities	39,179,140	(33,879,140)	5,300,000	5,157,386	142,614	97%
Donation for furniture fabrication		100,000	100,000	100,000	0	100%
Rendering of services- fees from students	8,549,140	40,450,860	49,000,000	48,689,067	310,933	99%
Sale of goods	60,000	28,000	34,000	33,080	920	97%
Miscellaneous income		31,000	31,000	29,695	1,305	96%
Total Income	47,788,280	6,676,720	54,465,000	54,009,228	455,772	99%
Expenses			-			
Use of goods and services	11,359,280	5,755,720	17,115,000	15,983,730	1,131,270	93%
Employee costs	5,038,800	(168,800)	4,870,000	4,706,216	163,784	97%
Board Expenses	1,515,000	(515,000)	1,000,000	950,652	49,348	95%
Repairs and maintenance	340,000	(40,000)	300,000	274,330	25,670	91%
Finance cost	15,600	3,400	19,000	17,521	1,479	92%
Total Expenditure	18,268,680	5,035,320	23,304,000	21,932,449	1,371,551	94%
Capital items	-		-			
Acquisition of PPE	29,519,600	(28,619,600)	900,000	829,622	70,378	92%
Total expenses Development	29,519,600	(28,619,600)	900,000	829,622	70,378	92%
Total expenses	47,788,280	(23,584,280)	24,204,000	22,762,071	1,441,929	94%
Surplus/deficit			30,261,000	31,247,157	(986,157)	103 %

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

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	31,247,157
1	Less: trade receivables for FY 2024/2025	(41,205,183)
2	Less: Capitation and scholarship received in FY 2024/2025 used to reduced trade receivables from no exchange transactions for FY 2023/2024	3,657,905
3	Add: Trade payables for FY 2024/2025	3,099,749
4	Increases in provision for bad and doubtful debts	3,877,355
	Closing Cash and Cash Equivalent as per the statement of Cash flows	668,831

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

19. Notes to the Financial Statements

1. General Information

Ebukanga Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide technical and vocational training.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

There are no new and amended standards issued in the financial year.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i> The Standard requires,

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

Non- Current Assets Held for Sale and Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

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

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

iii. Early adoption of standards

Ebukanga TVC did not early-adopt any new or amended standards in year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025
Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on 26th January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income Tax Act Cap 470.

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.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the

Ebukanga Technical and Vocational College

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

entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

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.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

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 Ebukanga TVC.

l) Provisions

Provisions are recognized when Ebukanga 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 Ebukanga 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

Ebukanga 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

Ebukanga 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 Ebukanga TVC in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

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

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

- n) Nature and purpose of reserves**
- o) Changes in accounting policies and estimates**

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

- p) Employee benefits**

- Retirement benefit plans**

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

- q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. 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.

- r) Borrowing costs**

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

- s) Related parties**

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

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Ebukanga 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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 10.

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

Ebukanga Technical and Vocational College
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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation grants	1,226,756	3,371,328
Operational grants	1,499,481	2,000,000
Scholarships grants	2,431,149	1,713,319
Total government grants and subsidies	5,157,386	7,084,647

NOTE: Operation/Recurrent grants, Capitation and Scholarships grants

The college received a total of Ksh. 5,157,386 from the government of Kenya through the Ministry of Education in the F/Y 2024/2025; Ksh. 1,499,481 as recurrent grants, Ksh. 1,226,756 as capitation and Ksh. 2,431,149 as Scholarships grants.

7. Donation for furniture fabrication

Description	2024-2025	2023-2024
	Kshs	Kshs
Conditional Grants		
Fabrication of metallic students chairs	100,000	100,000
Total	100,000	100,000

Note:

During the F/Y 2024/2025 the college received donation of Ksh. 100,000 funds meant for fabrication of metallic students chairs from Hon. Wilbur Otichilo, Governor of Vihiga County

8. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	46,081,767	11,834,135
Examination Fees	1,748,300	1,286,530
Registration Fees	317,000	72,500
KUCCPS validation fees	225,000	92,000
TVETA fees	317,000	6,500
Total Revenue from The Rendering of Services	48,689,067	13,291,665

NOTE

During FY 2024/2025 the college realised Ksh. 48,689,067 in revenue rendering of services. This was an increase by Ksh. 35,397,402. The increase was due to increase in enrolment in the year.

9. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
	-	-
Sale of Farm Produce	33,080	37,200
Total Revenue from Sale of Goods	33,080	37,200

Note:

The college grows nappier grass on part of its land. In the F/Y 2024/2025, the college sold nappier grass worth Ksh. 33,080. The sales dropped in the F/Y 2024/2025 due to aging of the crop which was first grown in the year 2020.

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10. Miscellaneous income

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of food by food and beverage department	3,795	900
Computer packages	16,000	9,200
Hire of building services by building and civil engineering department	9,900	
Fine for lost padlock		900
Rental/hire revenue from facilities		9,200
Total	29,695	10,100

Note:

During the period under review, the college collected a total of Ksh. 29,695 from sales of food by food and beverage department ,teaching computer packages to students Ksh. 16,000 and hire of building services by building and civil engineering department students as shown above.

11. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	2,340,241	1,044,816
Electricity	240,400	173,524
Water	42,500	15,800
Security	484,100	486,480
Subscriptions and registrations	306,000	199,190
Advertising	1,391,197	376,305
Examination expenses	1,658,763	1,492,979
Students' council expenses	92,400	100,460
Office/Administration expenses	940,222	336,082
Travelling and accommodation	1,902,400	1,607,840
Co-curriculum activities expenses	325,670	652,550
Farm expenses	53,003	6,500
Performance contracting expenses	95,800	160,175
Printing and stationery	497,437	299,379
Students' ID expenses	6,174	85,321
Cleaning expenses	78,121	66,138
Industrial attachment expenses	140,175	170,740
Telephone expenses	52,800	110,900
Staff Training expenses	350,210	130,862
Guiding and counselling	21,424	5,960
KUCCPS expenses	224,860	351,000
Research and innovation	161,000	270,060
ICT Support expenses	701,478	-

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Increase in provision for doubtful debts for receivables from Exchange transactions	3,877,355	700,999
Total good and services	15,983,730	8,844,060

Note:

Use of goods and services increased by Ksh. 7,139,670 due to increase in enrolment of students necessitating increase in expenditure. Ksh. 1,960,907 of the total 15,983,730 remains as pending bills

12. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	4,706,216	3,905,614
Employee Costs	4,706,216	3,905,614

Note:

During the FY 2024/2025 Ksh. 4,706,216 was spent on employees as salary. Out of Ksh. 4,706,216, amount of Ksh. 4,056,973 was paid while Ksh. 649,243 is in arrears.

13. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Directors Emoluments	830,652	1,053,155
Chairperson's honoraria	120,000	50,000
Total	950,652	1,103,155

Note:

During the FY 2024/2025 Ksh. 950,652 was spent as Board expenses. Out of Ksh. 950,652, amount of Ksh. 703,269 was paid while Ksh. 247,383 is in arrears (Directors Emoluments arrears are Ksh. 177,383 while Chairperson's honoraria arrears are Ksh. 70,000).

14. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	11,050,363	10,995,190
Total depreciation and amortization	11,050,363	10,995,190

Note: details showing depreciation rates.

Description	Depreciation	
		Kshs
Land	0%	-
Buildings	2%	35,962
Plant And Machinery	10%	385,382
Text books	30%	237,366
Computers and Related Equipment	10%	10,383,440
Office Equipment, Furniture, And Fittings	10%	8,213
Total		11,050,363

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15. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Equipment and machinery	274,330	5,500
Total Repairs and Maintenance	274,330	5,500

Repairs and maintenance cost increased by Ksh. 268,830 increase of enrolment and introduction of new courses necessitating adjustment to rooms for more classrooms

16. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank charges	17,521	10,852
Total Finance Costs	17,521	10,852

17. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	654,070	1,271,391
Cash in hand	14,761	3,666
Total Cash and Cash Equivalents	668,831	1,275,057

(a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1270629425	320,448	943,775
Kenya Commercial Bank	1293236551	328,546	109,265
Kenya Commercial Bank	1293236861	5,076	218,351
Sub- Total		654,070	1,271,391
b) Others(Specify)			
Cash in Hand		14,761	3,666
Sub- Total		14,761	3,666
Grand Total		668,831	1,275,057

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18. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	11,612,431	6,746,569
Total Current Receivables	11,612,431	6,746,569

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	5,163,079	39%	2,632,087	39%
Between 1- 2 years	2,334,870	39%	2,632,358	39%
Between 2-3 years	2,632,358	12%	807,944	12%
Over 3 years	1,482,124	10%	674,180	10%
Total	11,612,431	100%	6,746,569	100%

19. Receivables from non-exchange transactions

(a) Receivables from non-exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Scholarship from government	27,103,862	6,056,334
Capitation Grants	7,067,244	8,294,000
Total Current Receivables	34,171,106	14,350,334

(b) Ageing analysis on Receivables from non-exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	20,650,345	70%	5,732,469	40%
Between 1- 2 years	4,900,898	34%	4,825,000	34%
Between 2-3 years	4,825,000	19%	2,747,863	19%
Over 3 years	3,794,863	7%	1,047,000	7%
Total	34,171,106	100%	14,352,332	100%

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Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and Equipment	Text books	Work in progress	Total
	Shs		Shs	Shs	Shs	Shs		Shs
As at 30 June 2023	3,000,000	1,798,100	3,566,680	3,744,600	103,668,518	43,135		115,821,033
Additions during the period	-	-	-	136,220	105,280		521,450	762,950
Disposals during the period	-	-	-		-			-
Accumulated depreciation	-	-	-	(3,322,140)				(3,322,140)
Revaluation gain	-	-	-	177,540	-			177,540
As at 30th June 2024	3,000,000	1,798,100	3,566,680	736,220	103,773,798	43,135	521,450	113,439,383
Additions during the period	-	-	287,140	55,000	60,600	38,990	387,892	829,622
Disposals during the period	-	-	-		-			-
Accumulated depreciation	-	-	-					
Revaluation gain	-	-	-		-			
As at 30th June 2025	3,000,000	1,798,100	3,853,820	791,220	103,834,398	82,125	909,342	114,269,005
Depreciation and impairment	0%	2%	10%	30%	10%	10%		
As at 30 June 2023	-	103,960	1,023,144	3,322,140	31,061,920	8,628		35,519,792
Depreciation for the period	-	35,962	356,668	220,866	10,377,380	4314		10,995,190
Impairment for the period								
Transfer/Adjustment	-	-	-	(3,322,140)	-	-		(3,322,140)
As at 30th June 2024	-	139,922	1,379,812	220,866	41,439,300	12,942		43,192,842
Depreciation for the period	-	35,962	385,382	237,366	10,383,440	8,213	-	11,050,363
Impairment for the period								
Transfer/Adjustment	-	-	-		-	-		
As at 30th June 2025	-	175,884	1,765,194	458,232	51,822,740	21,155	-	54,243,205
Net book values								
As at 30th June 2025	3,000,000	1,622,216	2,088,626	332,988	52,011,658	60,970	909,342	60,025,800
As at 30 June 2024 end of prior year audited	3,000,000	1,658,178	2,186,868	515,354	62,334,498	30,193	521,450	70,246,541

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Note:

Depreciation method

Straight-line method has been used in depreciation of Property, Plant and Equipment

Work-in-progress

This relates to building workshop being put up by the department of Building and Civil Engineering using tuition materials and trainees as for labour as part of practical. The building is 85% complete.

(a) Valuation

As per National Treasury guidelines, Land and buildings have been identified but yet to be valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020) due to financial inadequacy. Ebukanga TVC aspire to value its assets once enough funds are available.

(b) Property, Plant and Equipment at Cost

Freehold land, buildings and other assets were stated on the historical cost basis the amounts are as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,000,000	-	3,000,000
Buildings	1,798,100	175,884	1,622,216
Plant And Machinery	103,834,398	51,822,740	52,011,658
Text books	82,125	21,155	60,970
Computers and Related Equipment	791,220	458,232	332,988
Office Equipment, Furniture, And Fittings	3,853,820	1,765,194	2,088,626
Work-in-progress	909,342		909,342
Total	114,269,005	54,243,205	60,025,800

21. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	3,393,613		2,490,293	
Total Trade and Other Payables	3,393,613		2,490,293	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,095,673	64%	1,601,988	64%
1-2 years	297,940	1%	24,940	1%

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2-3 years	-	-	-	-
Over 3 years	-	35%	863,365	35%
Total	3,393,613	100%	2,490,293	100%

22. Payments received in advance

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	1,083,521		1,436,941	
Total	1,083,521		1,436,941	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	63,368	39%	557,560	39%
1-2 years	440,708	35%	505,606	35%
2-3 years	305,670	15%	219,925	15%
Over 3 years	273,775	11%	153,850	11%
Total	1,083,521	100%	1,436,941	100%

23. Financial Risk Management

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	6,746,569	3,948,266	2,798,303	-
Receivables from non-exchange transactions	14,352,332	9,732,332	4,620,000	-
Bank balances	1,271,391	1,271,391	-	-
Total	22,370,292	14,951,989	7,418,303	-
At 30 June 2025				
Receivables from exchange transactions	11,6124,31	8,814,128	2,798,303	-
Receivables from non-exchange transactions	34,171,106	27,818,774	6,352,332	-
Bank balances	668,831	668,831	-	-
Total	46,452,368	37,301,733	9,150,635	-

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	394,800	934,188	1,161,305	2,490,293
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	394,800	934,188	1,161,305	2,490,293
At 30 June 2025				
Trade Payables	380,433	2,715,240	297,940	3,393,613
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	380,433	2,715,240	297,940	3,393,613

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Financial risk management (continued)

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity'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 entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has minimal transactional currency exposures since purchases of goods and services done in currencies other than the local currency are minimal.

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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Notes to the Financial Statements (Continued)
Financial risk management (continued)

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	177,540	177,540
Retained Earnings	40,080,855	18,191,074
Capital Reserve	57,164,285	68,214,648
Total Funds	97,422,680	86,583,262
Total Borrowings	-	-
Less: Cash and Bank Balances	(668,831)	(1,275,057)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

24. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity 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 Ebukanga Technical and Vocational College, holding 100% of Ebukanga Technical and Vocational College's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

25. Events After the Reporting Period

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

26. Ultimate and Holding Entity

Ebukanga Technical and Vocational College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

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27. Currency

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

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28. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

Ebukanga Technical and Vocational College has not been audited for the F/Y 2022/2023. Even though in the F/Y 2021/2022 the following issues were raised by the external auditor.

Reference No. OAG/EBUKANGA TVC/2021/2022/ (26)	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on the financial statements				
1	Inaccuracies in net assets	The variance of Kshs. 1,479,674 in the statement of financial position was caused by omission of receivables from non-exchange transactions.	Resolved	
		The variance of Kshs. 24,800 in the statement of changes in net assets was caused by error in summation of retained earnings and capital/development fund	Resolved	
2	Inaccuracy in receivables from exchange transactions-students fees	Receivables aging analysis report and provision for bad and doubtful debts have been incorporated in the F/Y 2022/2023. Debt management policy has been approved to mitigate on bad debts	Resolved	
3	Unsupported valuation of property, plant and equipment	The institution aspires to value its assets once the official/proper handing over by mentor institution is done and enough funds are available	Not Resolved	1 year

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4	Long outstanding receivables from exchange transactions	Institution aspires to reduce the receivables by employing measures to collect the debt and where the students have left the institution, the college will seek permission to write off the debts.	Not resolved	1 year
Report on lawfulness and effectiveness in use of public resources				
1	Irregularities in property, plant and equipment			
	1.1 Delayed Completion of Buildings.	The management has engaged with the mentor institution, Friends College Kaimosi to resolve the issue of delayed completion of the buildings	Resolved	
	1.2 Lack of Proper Handing and Taking Over	The management acknowledges that there has been not been official and proper handing and taking over of assets to the Board of Ebukanga TVC by the mentor institution, Friends College Kaimosi due to the pending works that is yet to be completed.	Resolved	
2	Non-Compliance with National Cohesion and Integration Act, 2008.	The management acknowledges that 66.67% of the staff are from same ethnic community and 33.33% is shared by other communities but commits to correct the issue gradually in its future recruitments.	Not Resolved	5 years
3	Lack of staff establishment	The collect is working to come up with staff establishment	Not resolved	1 year
Report on effectiveness of internal controls, risk management and governance				

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1	Lack of Risk Management Policy	The policy has been developed and approved	Resolved	
2	Lack of Proper Management of Student Debtors	The management has put in place mechanism for proper Management of Student Debtors	Resolved	
3	Lack of human resource policy and organization structure	The human resource policy and organization structure have been developed and approved	Resolved	
4.	Lack of Internal Audit and Active Audit Committee	The management is working to resolve the matter	Resolved	
5	Insufficient meetings in FY 2023/2024 by audit committee	Going forward the board will ensure that the committee meets at least four times	Unresolved	1 year

Guidance Notes:

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

[Handwritten Signature]

NEWTON SHIVACHI

(Principal)

Date 27/8/2025



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Appendix II: Projects Implemented by Ebukanga Technical and Vocational College

Projects

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

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

Note:

Ebukanga Technical and Vocational College did not implement projects in the F/Y 2024/2025 funded by development partners.

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Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF TECHNICAL & VOCATIONAL TRAINING
EBUKANGA TECHNICAL & VOCATIONAL COLLEGE

P.O. BOX 549 -50307 LUANDA. Tel No:
 0113295149/0700529309
 E-MAIL: ebukangatechnical@gmail.com



The Principal Secretary,
 Ministry Of Education
 State Department Technical Vocational Education and Training,
 P.O. Box 9583-00200
NAIROBI.

Ebukanga Technical and Vocational College wishes to confirm the amounts received as at 30th June 2025 for F/Y 2024/2025 as indicated in the table below. Please compare the amounts disbursed to us and amounts received by us.

Confirmation of amounts received by Ebukanga Technical and Vocational College as at 30th June 2025							
Reference Number	Date Disbursed	Amounts received by Ebukanga Technical and Vocational College (Kshs) as at 30th June 2025				Amount disbursed by Ministry of Education as at 30th June 2025 (KShs)	Differences (Kshs)
		Recurrent Grants (A)	Capitation (B)	Scholarship (C)	Total (D)=(A+B+C)		
	15.07.2024	499,827			499,827	499,827	0
	20.09.2024			664,999	664,999	664,999	0
	20.09.2024			120,768	120,768	120,768	0

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	20.09.2024			1,007,260	1,007,260	1,007,260	0
	23.09.2024		290,927		290,927	290,927	0
	24.09.2024			638,123	638,123	638,123	0
	02.10.2024	499,827			499,827	499,827	0
	21.01.2025	499,827			499,827	499,827	0
	19.02.2025		935,828		935,828	935,828	0
Total		<u>1,499,481</u>	<u>1,226,756</u>	<u>2,431,386</u>	<u>5,157,386</u>	<u>5,157,386</u>	0

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

Head of Accountants department of Ebukanga Technical and Vocational College:

Name: Hesborn Ehaji

Sign

Date

27/8/2025

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Appendix IV: Reporting of Climate Relevant Expenditures

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

Note:

Ebukanga Technical and Vocational College did not incur expenditures on Climate Relevancy

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Note:

Ebukanga Technical and Vocational College did not incur expenditures on Disaster Management

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