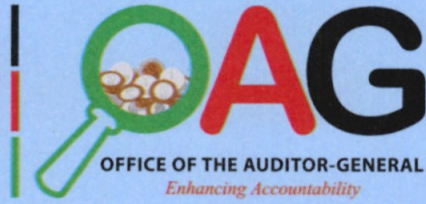


REPUBLIC OF KENYA



REPORT

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ON

**ST. AUGUSTINE MIUGUNE
VOCATIONAL TRAINING CENTER**

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 APR 2026

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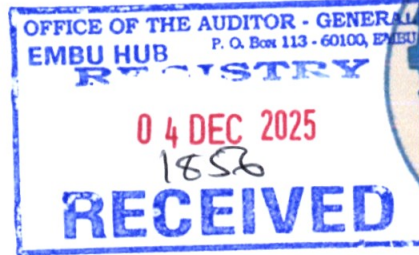
TABLED
BY:

Hon. Samuel Chepkongei

CLERK-AT
THE-TABLE:

Mado

Revised 30th June 2025



ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER

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)**

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training Centre

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2. Key Entity Information and Management

(a) Background information

St Augustine Miugune VTC is a public institution in Miugune village, Runkuru sub-location, Naari location Buuri sub county. The institution was established in 1989 under the sponsorship of A.I.P.A church collaboration with surrounding community as a youth talent development centre within the church compound in the year 2001 the institution was recommended and approved by the district development committee for registration by the ministry of education science and technology. Later in the year 2008, the institution as registered by the ministry of youth affairs and sports MOYAS/DYT/EST/IMT.N/PC/01. Our journey began with the aim of empowering local youth with practical skills technical knowledge.

(b) Principal Activities

The principal activity of the institution is to train competent and innovative manpower and to equip with TVET skills a graduate to achieve the countries millennium development goals

Vision and mission

To be a regional leader in technical training and innovation for sustainable national development and global competitiveness.

We aim not only to equip our students with technical skills and vocational training. But also to instil in them a sense of responsibility, creativity and community service.

Objectives

Some of our key objective include:

- Equipping young people with the skills necessary for employment and entrepreneurship.
- Reducing poverty by empowering the youth to become self-reliant.
- Supporting national goals such as vision 2030 through economic growth and development
- Creating a pathway for further education and lifelong learning.

In line with this objective our main activity is to train school leavers and vulnerable youth offering them a pathway to self-reliance, dignity, and productivity by equipping them with marketable skills we are not only transform individual lives but also uplift families and the community at large.

Core Values

Our operational environment is governed by a set of core values which constitute the desired Miugune culture. The school demands observations of the values by teachers, non-teaching staff and students. These values are:

- Teamwork towards excellence
- Integrity
- Hard work and dedication to duty
- Loyalty to the school and the values it perpetuates.
- Sacrifice for the good of the school.

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- Continual improvement. The school is committed to setting and maintaining high standards of achievements through continuous improvement of service delivery.
- Efficiency – Committed to utilizing resources maximally to achieve highest value of benefit to the youth.

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Board of Management, etc.
- Accounting Officer/ Principal/Manager
- Management

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal/Manager	Pauline K. Igweta
2.	Deputy principal/Assistant Manager Academics	Mercy Karimi

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

SN.	Designation	Name
1.	Principal/Manager	Pauline K. Igweta
2.	Chairperson	Francis Muriungi
3.	Third signatory	Betty Ngugi
4.	VETO	Joy Baariu

(f) Entity Headquarters

P.O. Box 2226 - 60200
MERU
KENYA

(g) Entity Contacts

Telephone: (254) 727444449
Email paulineigweta2@gmail.com

(h) Entity Bankers

KCB
P.O BOX
MERU
MERU BRANCH

(i) Independent Auditors

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

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Key Entity Information and Management (Continued)


(j) Principal Legal Adviser

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

County Attorney
P.o Box
120-60200
Meru County, Kenya

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3. The Board of Management

<i>Member/ Director</i>	<i>Details</i>
 <p><i>NAME: MR Francis Muriungi</i> <i>Profession :farmer</i> <i>Academic: KATC Certifaicate</i></p>	<p><i>Date of Birth: 1972</i> <i>Qualification: KATC certificate</i> <i>Position in : chairman</i></p>
 <p><i>NAME: Pauline k. igweta</i> <i>Profession : trainer</i> <i>Academic: diploma in education</i></p>	<p><i>Date of Birth: 1983</i> <i>Qualification: diploma in education</i> <i>Position in Board : B o G Secretary</i></p>
 <p><i>NAME: Ms Betty Ngugi</i> <i>Profession : farmer</i> <i>Academic: K.C.S.E certificate</i></p>	<p><i>Date of Birth: 1982</i> <i>Position in Board : third signatory</i></p>


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 <p><i>NAME: Mr. Jacob Munyua</i> <i>Profession :Farmer</i> <i>Academic: k.c.s.e certificate</i></p>	<p><i>Date of Birth: 1970</i> <i>Qualification:k.c.s.e certificate</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Mr. Robert Maitethia</i> <i>Profession: Business person</i> <i>Academic: Diploma</i></p>	<p><i>Date of Birth: 1973</i> <i>Qualification: Diploma</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Mr. Dedan Ntarangwi</i> <i>Profession :advocate</i> <i>Academic: degree</i></p>	<p><i>Date of Birth: 1968</i> <i>Qualification:degree</i> <i>Position in BoG: member</i></p>

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 <p><i>NAME: Mr. Kelvin Kirinya</i> <i>Profession: business person</i> <i>Academic: Diploma</i></p>	<p><i>Date of Birth: 1998</i> <i>Qualification: Diploma</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Mr. Mwenda Gatobu</i> <i>Profession :sub chief</i> <i>Academic: Diploma</i></p>	<p><i>Date of Birth: 1980</i> <i>Qualification: Diploma</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Ms. Kangwiria Johnson</i> <i>Profession :Business Person</i> <i>Academic: k.c.s.e certificate</i></p>	<p><i>Date of Birth: 1965</i> <i>Qualification:k.c.s.e certificate</i> <i>Position in BoG: Member</i></p>
	<p><i>Date of Birth: 1980</i> <i>Qualification: Diploma</i> <i>Position in BoG: Member</i></p>

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<p><i>NAME: Ms. Mercy Karimi</i> <i>Profession :Instructor</i> <i>Academic: Diploma</i></p>	
<p> <i>NAME: Ms. Millicent Nkirote</i> <i>Profession :bussiness person</i> <i>Academic: Diploma</i></p>	<p><i>Date of Birth: 1994</i> <i>Qualification:Diploma</i> <i>Position in BoG: Member</i></p>

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

4. Key Management Team

<i>SN</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>NAME: Pauline K. Igweta Profession : trainer Academic: diploma in education</p>	Ag. Principal
2.	 <p>NAME: Ms. Mercy Karimi Profession :Instructor Academic: Diploma</p>	Ag. D. Principal

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

5. Chairman's Statement

St. Augustine Miugune VTC was established with a core mission — *to offer quality technical education through provision of theory and practical courses for self-reliance. Our vision is clear* — to be a Centre of excellence in technical training and technology.

Since its founding, this institution has remained committed to equipping our youth with the technical and life skills they need to become productive members of society. We are especially proud of our role in reaching out to the vulnerable and disadvantaged youth in our community.

Some of our **key developments and achievements** include:

- Improved infrastructure to support both theoretical and practical learning.
- Expansion of training courses in response to community needs.
- Strengthened partnerships with local industries to enhance hands-on training and job placements.
- Active participation in government programs to meet the Vision 2030 economic growth objectives.

Our commitment remains focused on **empowering the youth, creating employment, and reducing poverty**. This is evident in the activities we undertake daily — from classroom instruction to community outreach.

Looking ahead, we aim to further expand our facilities, upgrade our equipment, and introduce new programs that respond to the ever-changing technological landscape

During the financial year 2024/2025, we have achieved the following:

1. increased the enrolment from
2. Established successful partnership with Buuri NG-CDF to train the Ujuzi Mashinani Trainees
3. Participated in Both County Ball games and skills competition and won our first trophy ever
4. We have increased the number of departments from 4 to 7 courses

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
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During this period, we were faced with some challenges as follows

- Delayed Disbursement of Conditional Grant for First Years has really pushed us back as we had to use school funds meant to pay instructors to buy trainees materials
- Inadequate number of trainers employed by the government to handle the course load
- Inadequate infrastructure i.e tools, equipment and infrastructure for effective training
- Untimely payment of fees by parents
- It's very challenging to operate the VTC wit lack of Dormitories and Administration block.
- Low Bursary allocation

On behalf of trainees and staff members I take this opportunity to thank all our stake holders for the support towards the development of this institution.

God bless you



Francis Muriungi
BoG Chairperson

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

6. Report of the Principal/Manager

I hereby present the annual report and financial statement for Miugune VTC for the year that ended 30th June 2025. The partnership with NG-CDF BUURI for the Ujuzi Mashinani Training Programme was underway having Kicked off in April

Courses (trades)

The following are courses examinable by NITA in our institution that we are offering presently

- i. Fashion design and garment making
- ii. Plumbing
- iii. Electrical technology
- iv. Hair dressing and beauty therapy
- v. Masonry

support courses

- a. Entrepreneurship
- b. Life Skill
- c. Communication

The enrollment rose from 72 in the previous year to 154 and currently gearing towards 300 We had 3 trainers employed by the county government of Meru. 3 employed by the BoG plus several part-timers as per need. We had 2 non teaching staff members
year activities

- a. Admission of the Sponsored Group
On 14th April 2025 the institution admitted trainees sponsored by NG-CDF Buuri Constituency.
- b. Tree Planting
We have successfully planted 100 trees (Ten being Fruit Trees) at the School grounds.
- d. County Ball games and skills competition
we were able to participate in the county ball games and gave a good showing and also scooped one cup in the skills competition later in the year

challenges

- i. Delayed Disbursement of Conditional Grant for First Years has really pushed us back as we had to use school funds meant to pay instructors to buy trainees materials
- ii. Inadequate number of trainers employed by the government to handle the course load
- iii. Inadequate infrastructure i.e tools, equipment and infrastructure for effective training
- iv. Untimely payment of fees by parents
- v. It's very challenging to operate the VTC in the Primary School Compound and we lack Girls Dorm and Administration block in the new compound
- vi. Low Bursary allocation

Recommendations

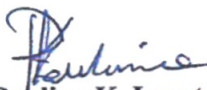
- i. The BOG should help Solicit for more funding from the donors to finish the half projects and implement the strategic plan.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

- ii. increase income generating projects for the school
- iii. motivate instructor for more production
- iv. relief food from the government can relieve some pressure from the needy trainees

conclusion

On behalf of trainees and staff members I take this opportunity to thank all our stake holders for the support towards the development of this institution
God bless you


Pauline K. Igweta
Ag. Principal. 2/12/2025

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

7. Statement of Performance against Predetermined Objectives

Preview of Miugune VTC performance for 2024-2025 financial year

The public finance management act 2012 requires the accounting officer to include in the financial statement, a statement of county government entities performance against the predetermined objectives.

Miugune VTC has 3 pillars and objectives within its strategic plan for the year 2024-2026. They are:

- Establish growth in the VTC education programmes.
- Promote equip and quality education and training.
- Strengthen organization development and capability.

Based on the above three pillars, Miugune VTC develops its annual work plan. These achievements attained in the year 2024-2025 are indicated as below:

STRATEGIC PILLAR NO.	STRATEGIC PILLAR	OBJECTIVE	KEY PERFORMANCE INDICATION	ACTIVITIES	ACHIVEMENT
PILLAR I	Establish growth in VTC education	Growing education in VTC programmes	Improved in service delivery.	Benchmarking with VTC's with similar courses	Benchmarked with neighboring VTC on Motor vehicle technology and driving
PILLAR II	Promote equity and quality training	Promoting equity and quality training	Number of trainers incase that are dominated by the opposite gender.	Advocate for the participation of both genders in the VTC programmes.	Improved enrollment of female in MVM and plumbing courses.
PILLAR III	Strengthen organization development and capability	Strengthen organization development and capability	Performance appraisal and for trainers. Reward and sanctions system based on appraisal report.	Celebrate staffs success formally through a reward.	Staff are being rewarded according to their performance.

8. Corporate Governance Statement

1.0 The Role Of Board Of Governors

The Board of Governors (BOG) is a body of people nominated by the community and other stakeholders to guide and manage the affairs of a Vocational Training Centre on behalf of the County Executive Committee Member (CEC(M)). The board is entrusted by the community to be the main decision maker on all management matters pertaining the institution.

It is composed of the nominated members of the community, parents' representatives and persons interested in contributing to the Vocational Training Centres in their personal capacities or as ex official members.

2.0 Rationale For Guidelines Of Appointing Vocational Training Centres Boards Of Governors

The functionality of any training institution solely depends on the governance and management structures. It is of critical importance that such structures promote cohesion, nurture accountability and provide visionary leadership necessary to create a conducive learning environment. The county government recognizes the need for stakeholders' involvement in the governance of VTCs, and other institutions offering skills training programmes to the youth.

The structure of governance and management shall therefore aim at encouraging cooperation and collaboration of all stakeholders for effective representation and participation. In this regard the county government, the community and the stakeholders shall be fully involved in the management of VTCs.

In view of the many emerging issues pertaining to the management of Vocational Training Centres in a fast changing socio- economic environment, it is prudent for the department to provide guidelines on the constitution, membership and operations of BOGs. These guidelines aim at streamlining the appointment and operations of Vocational Training Centres' Boards of Governors.

3.0 Structure Of Nomination Panel

There shall be a nomination panel whose responsibility will be to identify persons to be appointed by the (CEC (M) as members of a Vocational Training Centre board of governors. A nomination panel shall comprise of the following persons;

- i. Vocational Education and Training Officer (Chairperson)
- ii. Vocational Training Centre manager (secretary)
- iii. Area Member of County Assembly (MCA)
- iv. Vocational Training Centre Religious Entity. In case the VTC has no Religious Entity, then a representative of the Sub -County Education Board (SCEB)
- v. Local administration

The nomination panel shall ensure that the following basic requirements for Board of management membership:

1. Minimum academic qualification of KCSE/KCE level (secondary education)
2. Must be persons of integrity and committed to serve the community on voluntary basis.
3. At least one third of the nominees are women

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4.0 Composition Of The Boards Of Governors

The composition of boards of management members shall be as follows:

1. Two (2) persons nominated by the Religious Entity/SCEB affiliated with the Vocational Training Centre.
2. Two (2) persons representing the community in which the VTC is situated.
3. Two (2) youths; one MALE and FEMALE.
4. One (1) person representing people with special needs.
5. One (1) person representing the jua kali or industry and commerce sector.
6. One (1) person representing special interests.
7. Three persons (3) co-opted to the Board during the first BOG's meeting. These members will be drawn from the parents' instructors Association (PIA).
8. Vocational Education and Training Officer as an ex-officio Board member.
9. The VTC manager who is the secretary to the board.

The total composition of board members shall be (12) people. No single gender shall constitute more than two thirds of the total number. The Vocational Education and Training Officer should be automatic ex-officio member of board.

Upon appointment the nine members of the Boards of Governors fulfill the following at the inaugural meeting:

- i) Confirm the chairperson of BOG;
- ii) Elect a vice-chairperson;
- iii) Co-opt three persons to the Board who should be two parents with trainees in the VTC and an instructor;
- iv) Nominate signatories to the bank account (3) members namely the chairperson, manager/secretary and a third signatory.

4.1 Rules Of Engagement

- i) The term of office for the board is three (3) years and is eligible for re-appointment for one more term.
- ii) The board shall hold not less than three (3) ordinary meetings each year. The quorum at any meeting shall be two thirds (2/3). Questions before the Board shall be decided by the votes of the majority members present and voting.
- iii) The chairperson may convene a special meeting of the full board at any time and may do so at the request of the Vocational Education and Training Officer.
- iv) The board may invite government officers or other persons when need arises. Such persons will attend as ex-officio/in attendance without any voting powers.
- v) In the absence of the chairperson, the vice-chairperson shall be the chairperson for that particular meeting only.
- vi) Any member who is absent without apologies for three (3) consecutive meetings of the board shall be required to resign or shall be deemed to have ceased from being a board member.
- vii) Any vacancy occasioned by the resignation or death of a board member shall be filled by the entity responsible for his/her nomination and will hold office for the remaining term.

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4.2 The Executive Committee Of The Board Of Governors

The Executive committee of the Board of Governors of the VTC shall be composed of the following people:

- i) Chairperson
- ii) Vice-Chairperson
- iii) Secretary/Manager
- iv) Third signatory
- v) One BOG member
- vi) County Vocational Education and Training Officer

The Executive Committee will meet as the need arises. Quorum for meetings shall be two-thirds. The decisions of the executive must be brought before the full board in its subsequent meeting for ratification.

5.0 The Board Of Governors Nomination Process

5.1 A nomination panel shall be constituted by the VETO at least three (3) months before the expiry of the life of the existing board. The panel shall be composed of persons as indicated in part 5.0.

5.2 The nomination panel shall identify and forward nine (9) names of nominees for the appointment by the CEC(M) from persons under the following categories:

- i) Two representatives from the Religious Entity. In case the VTC has no Religious Entity, then a representative of the Sub-County Education Board will nominate.
- ii) Two representatives from the community in which the VTC is situated. The representatives should be persons of integrity capable of articulating VTC issues to the community and solicit for their support.
- iii) Two youth leaders (a male and a female) representing the interests of the youth.
- iv) One representative of the persons with special needs. The person should preferably be with special needs or conversant with the needs of people with disabilities, particularly learners.
- v) One person representing the local jua kali or industry and commerce sector. Such representative should be able to facilitate linkages between the VTC and the local jua kali or industry and commerce sector particularly on attachment.
- vi) One person representing special interest. The person should preferably possess certain skills which can be beneficial to the operation and well-being of the VTC.

In identifying the (9) nominees, the nomination panel will be required to ensure no single gender shall constitute more than two thirds of the total number of the Board of Governors. Persons appointed to the board should be people who have keen interest in promoting the youth by developing their skills and talents.

The VETO should convene a nomination panel consultative meeting within fourteen (14) days after constituting the panel. During this meeting, the panel members should be briefed on the nomination process including the categories of persons they are expected to nominate as Vocational Training Centres Boards of Governors as prescribed in part 7.2.

The VETO should convene a Vocational Training Centres Board of Governors nomination panel meeting after the expiry of the thirty (30) days given to panel members.

The meeting should discuss the different proposed names and nominates the list of people to be appointed as members of Vocational Training Centers Board of Governors.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

The VETO should submit to the CEC (M) within the fourteen (14) days after the BOG nomination panel meeting, the list of people to be appointed as members of Vocational Training Centers Board of Governors. The list should be accompanied with the minutes of the nomination panel meeting and the Curriculum Vitae of the nominated members.

Members of the Vocational Training Centers Board of Governors shall be appointed in writing by the CEC (M) in charge of Education and Technology.

Members appointed to the board shall confirm their acceptance in writing to the CEC (M) within fourteen (14) days.

A person may be disqualified for appointment to VTC Board if:-

1. He/she does not meet the minimum academic qualification of KCSE/KCE Level of secondary education.
2. He/she has a criminal record and has not been granted a pardon.
3. He/she has been declared insolvent or bankrupt and has not been discharged.
4. He/she is adjudged to be of unsound mind or has been detained as criminally insane person.
5. He/she is disqualified from public office by any law for the time being in force.
6. His/her economic or business interests are linked to those of the board of the Vocational Training Centre with an exception of special cases which must receive written permission from the CEC (M).
7. He/she fails to write an acceptance letter to the CEC (M) in charge of Education and Technology.
8. He/she fails to attend three (3) consecutive meetings of the board without written apologies.

8.0 The Functions Of The Board Of Governors

The functions of the Board of Governors of Vocational Training Centre shall be; -

- (a) Promote the best interests of the Institution and ensure its development,
- (b) Promote quality education and training for all trainees in accordance with the set standards,
- (c) Develop a strategic plan for the institution,
- (d) Provide proper and adequate physical facilities for the institution,
- (e) Create an enabling environment for the institution's manager/principal, instructors and other staff of the institution in the performance of their professional duties,
- (f) Manage all affairs of the Institution in the accordance with the laid down procedures,
- (g) Advise the Department on the staffing needs of the institution,
- (g) Make recommendations for appointment of instructors at the institution,
- (h) Recruit, employ and remunerate such number of instructors as may be required by the Institution subject to the provisions of the law,
- (I) In consultation with the Quality Assurance and Standards Officers, ensure effective curriculum implementation and delivery,
- (j) Ensure the trainees are presented for examination and assessments,
- (k) Prepare annual estimates of revenues and expenditure for the institution and incur expenditure on behalf of the institution,
- (L) Receive, on behalf of the institution: - Fees, grants, subscriptions, donations or other monies and to make payments to the Institution or other bodies or persons in accordance to the relevant law,
- (m) Mobilize resources for the purposes of the institution subject to the provisions of the Public Financial Management Act, 2012, and any other relevant laws,

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

- (n) Enter into association with other local or International training institutions in the interests of the institution with the approval of the relevant authority,
- (o) Continuously monitor instructors in terms of curriculum implementation and delivery conduct of examinations and assessments in the institution,
- (p) Adopt a code of conduct for the staff and trainees, determines cases of discipline and make reports to the Department of Education and Technology,
- (q) Prepare a comprehensive annual report on all areas of its mandate including education, training and research services and submit the same to the Department,
- (r) Provide for the welfare and safety of the staff and trainees at the Institution,
- (s) Facilitate and ensure the provision of guidance and counseling to all trainees,
- (t) Encourage the community, parents, trainees, staffs and other stakeholders to render voluntary services to the Institutions,
- (u) Upon request, approve the use of the Institutional facilities for educational, training and research programmes not conducted by the institution either for free or on hire.
- (v) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with the Employment Act, and
- (w) Perform any other function to facilitate the implementation of its functions under these guidelines or any other written law.

Dissolution Of The Board Of Governors (as established in the Education Act Cap 211 Section 12)

1. Where in the opinion of the CEC (M), a Board of Governors has behaved irresponsibly or has failed to exercise properly its functions; the CEC (M) may in writing-
 - a) Suspend the board from the exercise of and performance of all its powers and duties and appoint an administrator to exercise and perform all powers and duties of the board for such period not exceeding one year as the CEC (M) specifies, and/or
 - b) Require the resignation of all or any of the members of the Board, and appoint or require the appointment of new members of the board.
2. The CEC (M) shall make regulations providing for the manner in which an administrator appointed under sub-section (1) shall exercise all powers and perform the duties of the Board of Governors.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

9. Management Discussion and Analysis

The bog of Miugune VTC has been very supportive to the management and has fully performed its oversight role very well. The management, being led by the manager has been well constituted. The institution had no project during 2024/2025 financial year but the management is planning to put up gate.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

10. Environmental And Sustainability Reporting Statement

Miugune VTC is a learning institution under the department of vocational educational and training, Meru County. The institution complies with ministry of education policies in order to produce mult-skilled manpower that can fit comfortably in the job market. The institution has identified the potential of the community as key in realizing the growth of the institution. The VTC has engaged the community through frequent sensitization of various courses offered and the support of capitation the VTC is receiving from the government. Further the VTC has reached out to the stakeholders and political leaders for their support in all aspects in the running of the institution. This has been achieved through attending church meetings, community meeting and upholding of support for the fee's payment thro county retention fund, CDF programmes and

i. Environmental performance

Our commitment as Miugune VTC is to strive to improve our environmental performance over time. The VTC commitment is to;

- (A) To comply with all applicable environmental regulations.
- (b). improve the current number of trees from 720 to over 1000.
- (C) Create awareness on our commitment concerning environment to our trainees the community.
- (d.) prevent any form of pollution where possible.

ii. Employee welfare

The VTC Board of Management identifies vacancies by analysing key responsibilities and duties that are not adequate especially when there is a higher enrolment. Miugune VTC has been following the procedure of hiring employees as required. When a vacancy is identified, the bog consults the county government for replacement and in the case where there is no replacement, the bog advertises for these positions. The adverts are made public and qualified candidates are invited to apply. On applications, shortlisting of qualified person is done basing on the advert requirement. Qualified persons are contacted to attend interviews on a set date and time. The panes engage all the interviewees and allocates marks as per the score sheet. The panel later discuss the scores and the best candidate approved. Orientation is done after the new staff has been engaged where also the responsibilities are outlined. The VTC is complies with the Occupational Safety and Health Act 2007 (OSHA). In collaboration with the department of vocational education and training, performance appraisals are done.

iii. Marketplace practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Miugune VTC ensures that there is adequate information disseminated to public to whoever feels to apply for a tender advertised in the institution. Tenders have deadline dates for submission and during opening, all tenderers are invited to witness the exercise. The VTC does not in any way indulge in any form of corruption ant trainees and staff are always sensitized to avoid corruption. All payment done is cashless and all fees paid is done directly to the bank by individual trainees.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

b) Responsible Supply chain and supplier relations

The VTC maintain good business practices by ensuring goods and services are up to standard. Once these procurements are done, there is a team of head of department committees whom form acceptance committee that is mandated to check if items delivered are as per requested. Payments of goods delivered are paid timely

c) Responsible marketing and advertisement or Responsible engagement with the citizens

The institution is so much responsible in direct engagement with the community hence making promises that are met as required. Through several events on media coverage's, adequate information is shared with the community. Also, the management encourages one on one question and answer moment in order to give the information as requested.

d) Product stewardship or Awareness creation

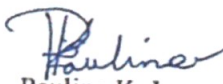
Miugune VTC is committed to safeguard consumer rights and interests' issues. These include protection of health and safety, providing adequate product information and consumer/ trainee's personal data protection. Any information required on SHIF NSSF or any other relevant information is shared as requested)

iv. Corporate Social Responsibility / Community Engagements

The VTC in the financial year 2024/2025 had embarked on several community engagements

On behalf of Miugune fraternity, I thank the bog for their support accorded to the key management and for its visionary direction in ensuring the VTC is soaring towards excellence.

I thank all the staff, trainees on Miugune VTC for their continued support in ensuring the VTC is progressing on positively. I look forward to the same cooperation and enthusiastic participation in 2025/2026 financial year.


Pauline K. Igweta
Manager

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Board of Management

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

Principal activities

The principal activities of the entity are to;

- a) Conduct training in vocational educational and training level
- b) To foster linkages with industries and other institutions for the promotion of quality and relevant training.
- c) Improve spiritual growth among community members both staff and trainees.
- d) To promote entrepreneurial skills within the VTC
- e) To conduct innovation research by our staff and trainees.

Results

The results of the entity for the year ended June 30th June 2025 are set out on pages 1 to 65

Board of Management

The members of the Board who served during the year are shown on page xxx. During the year there has been no change in the board of management.

Auditors

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

By Order of the Board


.....
Secretary of the Board

Date: 2/12/2025

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

12. Statement of Board of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 require the Board of Management to prepare financial statements in respect of that *Miugune vtc*, which give a true and fair view of the state of affairs of the *Miugune vtc* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board of Management are also required to ensure that the *Miugune vtc* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Board of Management are also responsible for safeguarding the assets of the *entity*.

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

The Board of Management accept responsibility for the *Miugune vtc* 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 The Board of Management are of the opinion that the *Miugune vtc* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *Miugune vtc* financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the *Miugune vtc* which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal/Manager has assessed the *Miugune vtc* ability to continue as a going concern. Nothing has come to the attention of the Board of Management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

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

Francis Mwirungi
.....
Name *FM*
Chairperson of the Board

Pardine Igwata
.....
Name *Pardine*
Principal/Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTRE 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 St. Augustine Miugune Technical and Vocational Centre set out on pages 1 to 31, 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 St. Augustine Miugune Technical and Vocational Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Fees from Students

The statement of financial position reflects fees from students amount of Kshs.2,567,985 as disclosed in Note 7 to the financial statements. However, fee registers, students' lists, or detailed schedules showing the amounts paid by each student to support the reported revenue were not provided for audit review. In addition, examination of the school fee ledger revealed that an amount of Kshs.26,771 was recorded as fees from students. However, this amount could not be traced to the cash book or the bank statements provided for audit review.

In the circumstances, the accuracy and completeness of fees from students amount of Kshs.2,567,985 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.686,896 held in three commercial bank accounts as disclosed in Note 12 to the financial statements. However, the bank balances were not supported by cashbooks, a bank certificate (Exam Account) and bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.686,896 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St Augustine Miugune Technical and Vocational Centre 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.

My opinion is not modified in respect of this matter.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget of Kshs.930,000 and an actual total revenue of Kshs.2,169,503 resulting to over-funding of Kshs.1,239,503 or (133%) the total revenue budget. Similarly, the Centre spent Kshs.1,694,267 against actual receipts of Kshs.2,169,503 resulting to an under-utilization of Kshs.475,236 or 22% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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 Deduct and Remit Statutory Deductions

The statement of financial performance reflects employee costs balance of Kshs 368,000 as disclosed in Note 9 to the financial statements. However, audit examination revealed that the school did not deduct nor remit statutory deductions including PAYE, SHIF, Housing Levy and NSSF from employee salaries during the year under review. No payroll records, statutory deduction summaries, or remittance receipts were made available to confirm compliance with statutory requirements.

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

2. Failure to Budget for Climate Change and Financing

Review of the Centre's annual budget and financial plans revealed that no provisions for climate change mitigation, adaptation programs, or climate financing initiatives were made. In addition, there was no evidence of planned allocation of funds for projects or activities that address climate risks, such as water source protection, energy-efficient operations, or climate resilience measures. This contrary to The National Climate Change Act, 2016, which obligates public entities to mainstream climate change measures into their operational and development plans and to allocate adequate resources to address climate resilience and adaptation.

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

3. Non-Compliance with the Public Procurement Capacity Building Levy Order, 2023

Management has not provided documentary evidence to confirm that the Centre complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition,

Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of a strategic plan

Review of the strategic objectives of the Centre indicated that the institution did not have an existing strategic plan to guide the board on the direction the institution would take to achieve its goals. This leads to lack of a policy guide for the management to guide its expansion.

In the circumstances, the Centre may not work towards attaining its intended objective.

2. Lack of a Risk Management Policy

The entity does not have a documented and approved Risk Management Policy in place. No evidence was provided of risk registers, risk assessment reports, or integration of risk management into operational processes during the audit period.

In the circumstances, the Centre could not respond effectively in case of an emergency.

3. Lack of Internal Audit Function and Audit Committee

During the year under review, the Institution had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (County Government), 2015 which states that, the internal audit unit of a

County Government entity to assess effectiveness of the Polytechnic through an internal performance appraisal commenting on its effectiveness in the annual report to The County Treasury.

In the circumstances, the Centre may not obtain assurance on the existence and effectiveness of its internal Control systems.

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

Responsibilities of Management and Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the Centre'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

04 December, 2025

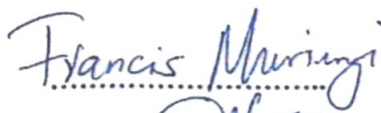


ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6	930,000.00
		930,000.00
Revenue from Exchange transactions		
Fees from students	7	2,567,985.00
Revenue from Exchange transactions		2,567,985.00
Total Revenue		3,497,985.00
Expenses		
Use of goods and services	8	932,137.00
Employee costs	9	368,000.00
Board Expenses	10	31,000.00
Repairs and maintenance	11	91,975.00
Total Expenses		1,423,112.00
Net surplus/(deficit) for the year		2,074,873.00

The notes set out on pages 21 to 25 form an integral part of the Annual Financial Statements.

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

		
Name <u>Francis Muringi</u>	Name <u>Douglas Kobic</u>	Name <u>Pauline Igweta</u>
Chairman of Board	Accountant ICPAK No 16401	Principal/Manager
Date <u>2/12/25</u>	Date <u>2 Dec 2025</u>	Date <u>2/12/2025</u>

Comparative FY refers to the financial year preceding the current year.

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	FY 2024/2025
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	12	686,896.00
Current portion of receivables from exchange transactions	13	1,328,482.00
Inventories	14	580,480.00
Total Current Assets		2,595,858.00
Non-Current Assets		
Investments		-
Property, plant, and equipment		-
Total Non-Current Assets		-
Total Assets (A)		2,595,858.00
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	15	309,325.00
Total Current Liabilities		309,325.00
Non-Current Liabilities		
Non-Current Provisions		-
Service Concession Arrangements		-
Total non- current liabilities		-
Total Liabilities (B)		309,325.00
Net Assets (A-B)		2,286,533.00
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		2,286,533.00
Capital Fund		-
Total Net Assets		2,286,533.00

The Financial Statements set out on pages 2 were signed by:

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

Francis Myringi
Name ~~Francis Myringi~~
Chairman of Board

Date 2/12/25

[Signature]
Name Douglas Kobi
Accountant
ICPAK No 10401

Date 1 Dec 2025

Pauline
Name Pauline Igweta
Principal/Manager

Date 2/12/2025

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2024 (<i>current year</i>)	0	211,660.00	0	211,660.00
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	2,074,873.00	0	2,074,873.00
Capital grants received during the year	0	0	0	0
At June 30, 2025	0	2,286,533.00	0	2,286,533.00

Note:

1. *For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
2. *Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).*

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description		FY 2024/2025
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government		930,000.00
Fees from students		1,239,503.00
Total Receipts		2,169,503.00
Payments		
Use of goods and services		1,203,292.00
Employee costs		368,000.00
Board Expenses		31,000.00
Repairs and maintenance		91,975.00
Total Payments		1,694,267.00
Net Cash Flows from operating activities	16	475,236.00
Cash flows from investing activities		
Purchase of property, plant, and equipment		0
Purchase of intangible assets		0
Proceeds from the sale of property, plant, and equipment		0
Net cash flows used in investing activities		0
Cash flows from financing activities		0
Proceeds From Borrowing		0
Repayment of Borrowings		0
Net cash flows used in financing activities		0
Net Increase/(Decrease) in Cash and Cash equivalents		475,236.00
Cash & Cash equivalents at the beginning (1 st July)	12	211,660.00
Cash & Cash equivalents at the end. (30 th June)	12	686,896.00

(Presentation of cash flows shall be on the basis of direct method for all public sector entities reporting under the IPSAS Accrual basis of accounting)

ST AUGUSTINE MIUGUNE VOCATIONAL TRAINING CENTER
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	0	0	0	0	0	0
Receipts						
Transfers from County Government	930,000.00	0	930,000.00	930,000.00	-	100.00
Fees from students	0	0	-	1,239,503.00	(1,239,503.00)	-
Total Receipts	930,000.00	0	930,000.00	2,169,503.00	(1,239,503.00)	233.28
Payments						
Use of goods and services	229,400.00	0	229,400.00	670,492.00	(441,092.00)	292.28
Employee costs	0	0	-	368,000.00	(368,000.00)	-
Board Expenses	0	0	-	31,000.00	(31,000.00)	-
Repairs and maintenance	204,600.00	0	204,600.00	91,975.00	112,625.00	44.95
Training materials	496,000.00	0	496,000.00	532,800.00	(36,800.00)	107.42
Total Expenditure	930,000.00	0	930,000.00	1,694,267.00	(764,267.00)	182.18
Capital Expenditure payments	0	0	0	0	0	-
Surplus	-	0	0	475,236.00	(475,236.00)	51.10

(Budget carryovers* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the CRF. Budget carryover amounts should not include third-party funds such as contractors' retention.)

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different categorization of items as approved by the governing body.)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	475,236.00
Classification and presentation differences	211,660.00
Closing Cash and Cash Equivalent as per the statement of Cash flows	686,896.00

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19. Notes to the Financial Statements

1. General Information

St Augustine Miugune vocational training centre is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the County Government of Meru and domiciled in Buuri sub-county. The entity's principal activity is offering technical training courses to the surrounding community.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institution. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

There are no new standards and interpretations issued in the Financial Year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. State the expected impact of the standard to the Entity if relevant
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. State the expected impact of the standard to the Entity if relevant
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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. State the expected impact of the standard to the Entity if relevant
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the 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.

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.

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b) Budget information

The original budget for FY 2024/2025 was approved by the Board on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. 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 cash flows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

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

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its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

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

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

j) Financial instruments

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

Financial assets

Classification

The 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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that

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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.

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) are set out in *Note xx*.

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.

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 *Entity*.

l) Provisions

Provisions are recognized when the *Entity* 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 *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *Entity* 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.

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Contingent assets

The *Entity* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* 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.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

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q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* 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.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity'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 the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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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.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from the County Government

Description	Insert Current FY
	Kshs
Conditional Grants amortised/ recognized in revenue	
Repairs, Maintenance & Improvement Of Tools And Equipment	204,600.00
Tools, Equipment & Instructional/ Assessment/Examination Materials	372,000.00
Exercise Books & Stationery	124,000.00
Skills Competitions	63,400.00
Co-Curricular Activities	61,250.00
Utilities	73,750.00
Local Travel & Transport	31,000.00
Total Government Grants and Subsidies	930,000.00

(b) Transfers from County Government (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
County Department for Education and Technology	930,000.00	0	0	930,000.00
Total	930,000.00	0	0	930,000.00

7. Fees from students

Description	Insert Current FY
	Kshs
Fees from students	1,239,503.00
Receivables	1,328,482.00
Total fees from students	2,567,985.00

Fees from students is sourced mainly from students enrolled by the institution.

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8. Use of Goods and Services

Description	Insert
	Current FY
	Kshs
Teaching and learning materials	532,800.00
Electricity	22,087.00
Water	5,470.00
food stuff and kitchen items	280,200.00
General office expenses	170,191.00
Skills Development	74,850.00
Examination fees	5,500.00
Fuel & Oil - Firewood/Generator	28,700.00
Printing & Stationeries	30,200.00
Local Travel and transport	45,500.00
Bank Charges	7,794.00
Trade and Other Payables from Exchange Transactions	309,325.00
Inventories	(580,480.00)
Total good and services	932,137.00

9. Employee Costs

Description	Insert
	Current FY
	Kshs
Salaries and wages	368,000.00
Employee Costs	368,000.00

10. Board Expenses

Description	Insert
	Current FY
	Kshs
Other Board Expenses	31,000.00
Total	31,000.00

11. Repairs and Maintenance

Description	Insert
	Current FY
	Kshs
Repairs and Maintenance	91,975.00
Total Repairs and Maintenance	91,975.00

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12. Cash and Cash Equivalents

Description	Insert	Insert
	Current FY	Comparative FY
	Kshs	Kshs
Current Account	686,896.00	211,660.00
Total Cash and Cash Equivalents	686,896.00	211,660.00

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

12 (a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	Insert	Insert
		Current FY	Comparative FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank-Fees/Operational account	1271884739	6,815.00	47,449.00
Kenya Commercial Bank-Exam account	1288458630	224.00	224.00
Kenya Commercial Bank-Capitation/grant account	1234493543	679,857.00	163,987.00
Grand Total		686,896.00	211,660.00

13. Receivables from Exchange transactions

13 (a) Current Receivables from Exchange transactions

Description	Insert Current FY
	Kshs
Current Receivables	
Student Debtors	1,328,482.00
Total Current Receivables	1,328,482.00

13 (b) Ageing Analysis of Receivables from Exchange Transactions

Description	Insert Current FY	
	Kshs	
	Current FY	

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		% of the total
Less than 1 year	1,328,482.00	100.00
Total (a+b)	1,328,482.00	100.00

14. Inventories

Description	Insert Current FY
	Kshs
Consumable stores	580,480.00
Total Inventories at lower of Cost and Net Realizable Value	580,480.00

Inventories are made up of consumables used for learning by the students enrolled by the institution.

Detailed Disclosure on Inventories

	Insert Current FY
Opening balance	0
Additional Inventory in the year	580,480.00
Closing balance	580,480.00

15. Trade and Other Payables from Exchange Transactions

Description	Insert Current FY	
	Kshs	
Trade payables	309,325.00	
Total Trade and Other Payables	309,325.00	
Ageing analysis:	Current FY	% of the Total
Under one year	309,325.00	
Total (to tie to totals above)	309,325.00	%

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16. Cash generated from operations.

	Insert Current FY Kshs
Surplus/(Deficit) for the year	2,074,873.00
Adjusted for:	
Depreciation	0
Working Capital Adjustments	
Increase in Inventory	(580,480.00)
Increase in Receivables	(1,328,482.00)
Increase in Payables	309,325.00
Net Cash Flow from Operating Activities	475,236.00

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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17. 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 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 20XX (current year)				
Receivables from exchange transactions	1,328,482.00	1,328,482.00	0	0
Bank balances	686,896.00	686,896.00	0	0
Total	2,015,378.00	2,015,378.00	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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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 entity has significant concentration of credit risk on amounts due from xxxx

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 (previous year)				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Trade Payables	0	309,325.00	0	309,325.00
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	309,325.00	0	309,325.00

(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.

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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) 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.

iv) 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.

County Government of Meru

The County Government of Meru is the principal shareholder of St Augustine Miugune VTC. The County Government of Meru has provided full guarantees to all long-term lenders of the entity, both domestic and external.

The transactions and balances with related parties during the year are as

Description	Insert Current FY
	Kshs
Transactions with Related Parties	
b) Grants /Transfers from the Government	
Grants from County Government	930,000.00
Donations in Kind	0
Total	930,000.00
Total	
Board of Management emoluments	31,000.00
Compensation to Key Management	0
Total	31,000.00
Grand Total	961,000.00

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18. Events After The Reporting Period

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

19. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
This is the first year of reporting. There is no prior years Auditor General's Recommendations				

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.

.....
 Name *Pauline Karwita Igata*
 Principal/Manager
 (Enter title of Head of entity) *Pauline*
 Date *2/12/2025*


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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity Meru county
 Name of beneficiary entity: St Augustine Miugune training center

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Edu/VTC/027/2024/2025	05/05/2025	705,000	0	705,000	Delayed
Edu/VTC/019/2024/2025	24/01/2025	225,000	0	225,000	Delayed
Total				930,000	

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

Head of Accounts Department - Disbursing Entity:
 Name Douglas Kobia Sign  Date 1 Dec 2025

Head of Accounts Department - Beneficiary Entity:
 Name Pauline Karwitta Juma Sign  Date 2/12/2025