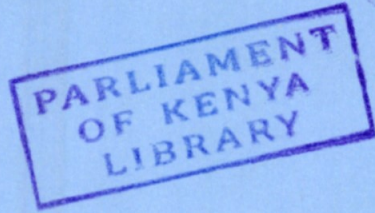


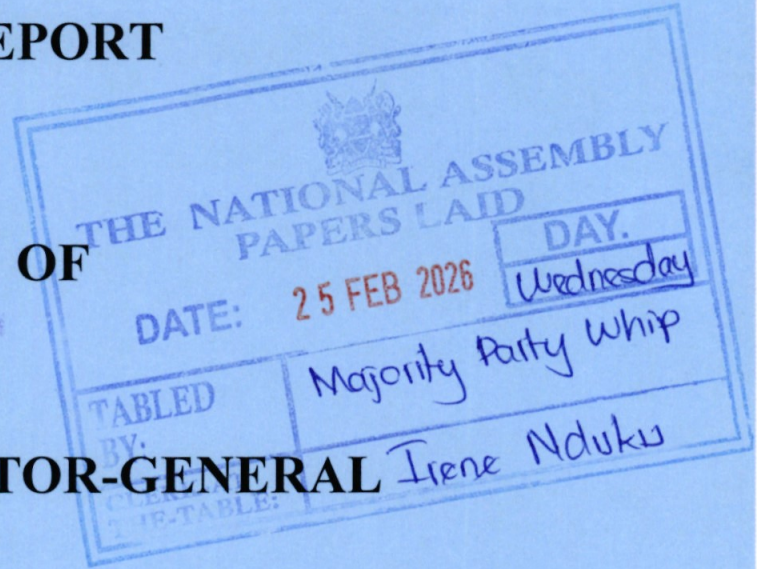
REPUBLIC OF KENYA



REPORT



OF



THE AUDITOR-GENERAL

ON

MASINGA TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025





OFFICE OF THE AUDITOR GENERAL
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MASINGA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



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Masinga Technical and Vocational College College
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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The College was incorporated/established under the TVET Act 2013 in 2017. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to produce graduates with competent skills that meet the dynamic demands of the industry.

Motto:

Excel in Technology

Vision Statement:

To be a Centre of Excellence in provision of Vocational and Technical Training.

Mission Statement:

To produce graduates with competent skills that meet the dynamic demands of the local and global industry.

Core Values:

- Inclusivity, focus, respect for cultural diversity (people and culture)
- Professionalism, ethical practices, honesty and integrity
- Transparency and Accountability in all activities
- Partnership and Community Engagement, teamwork and collaboration
- Innovativeness and Creativity

(c) Key Management

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

- The Principal/Accounting officer
- The Deputy Principal Administration
- The Deputy Principal Academics
- Registrar

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- Dean of Students
- Head of Departments
- Finance Officer

(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	Mrs. Irene Kwoko
2.	Deputy principal Finance	Mr. Laban Mbuvo
3	Deputy principal Academics	Mr. Francis Muriithi
4	Registrar (s)	Mr. Edwin Mbithi
5	Dean of students	Ms Jacinta Mutula
6	Head of Finance	Mr. Monicah Kyalo
7	Head of Procurement	Ms Maurine Nzomo
8	PC Coordinator	Mr. Samuel Mukeku
9	Clerk of Works	Mr. John Kituku

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit Committee

The activities of the Audit Committee include:

a. Governance initiatives:

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

b. Risk management:

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

c. Internal control framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk and control assurance providers.

d. Audit activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

e. Follow up on management action plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

f. Financial statements and public accountability reporting:

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

Finance Committee of the BOG

The Committee shall exercise all the powers of BOG in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG Terms of Reference. The role of the Committee shall be to monitor

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the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- i. To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- ii. To receive reports from the Principal and the Finance Officer.
- iii. To monitor implementation of the strategy for the Institute.
- iv. To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- v. To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- vi. To determine the fees and charges made for Institute services and facilities.
- vii. To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- viii. To supervise the arrangements for safeguarding the Institute's assets.
- ix. To ensure the proper financial evaluation and control of projects.
- x. To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- xi. To make recommendations to BOG on the financing of projects.

Senior Management Activities

The main purpose of the Senior Management Team is to:

- (a) Ensure that Masinga Technical and Vocational College's BOG is able to take strategic decisions relating to Masinga Technical and Vocational College's activities.
- (b) Provide leadership in communicating Masinga Technical and Vocational College's mission, values, plans and achievements effectively and consistently to BOG members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation Masinga Technical and Vocational College's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of Masinga Technical and Vocational College's activities.

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Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees Masinga Technical and Vocational College's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of Masinga Technical and Vocational College's, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors Masinga Technical and Vocational College joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing Masinga Technical and Vocational College staff to deliver the highest standards of performance and customer service.

Academic Committee Activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study

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- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programs of study, regulate admission of persons to MASINGA TVC and determine their continuance or discontinuation in such programs
- e. To determine the Academic policy of MASINGA TVC and to advise the Board on the provision of facilities to carry out that policy
- f. To direct and regulate the teaching and instruction within the College subject to the powers of the Board.

Government Oversight Activities

The Government of Kenya's oversight role includes provision of grants for both capitation and development as well as provision of the regulatory framework. The audit of the institutional activities is undertaken by the Office of the Auditor General

(f) Entity Headquarters

Masinga Technical and Vocational College
P.O Box 181-90141,
MASINGA-KENYA

(g) Entity Contacts

Masinga Technical and Vocational College
P.O Box 181-9014, Masinga
Telephone :(254) 746327094
E-mail masingatechnical@gmail.com

(h) Entity Bankers

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

Kenya Commercial Bank
P.O Box 147-90119
Matuu, Kenya

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Equity Bank Ltd
P.O Box 58-90119
Matuu, Kenya

(i) Independent Auditors







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

(j) Principal Legal Adviser





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

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3. The Board of Governors






SN	Member/ Director	Details
1.		<p>Name: Sylvester Muoki Joseph Date of Birth: 02/12/1977 Qualification: Master of Management Information Science. Experience: 16 years. Chairman of the Board..</p>
2.		<p>Name: Philip Mutisya Nzioki Date of Birth: 08/12/1978 Qualification: Bachelor of Science (Nursing) Experience: 21 years</p>
3.		<p>Name: Celestine Shikuku Omery Date of Birth: 29/10/1986 Qualifications: Master of Science in Finance Work Experience: 10 years Chairman to the Finance committee of the Board</p>
4.		<p>Name: Anne Wanjiru Kariuki Date of birth: 25/10/967 Qualifications: Bachelor of Philosophy in Electrical & Electronic; Higher Diploma in Electrical & Electronics Engineering Work Experience: Over 20 Years</p>
5.		<p>Name: Maryan Abdi Date of Birth: 12/12/1977 Qualifications: Master of Arts in Education Administration and Planning. Regional Director of TVET. Work Experience: Over 22 years</p>
6.		<p>Name: Josephine Nyanchama Ayienda Date of Birth: 23/06/1991 Qualifications: Bachelor of Science (Software) Work Experience: Over 10 years</p>

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7.		<p>Name: Joachim Ndolo Kalamu Date of Birth: 02/03/1987 Qualifications: Bachelor of Law Work Experience: Over 10 Years while practising Chairman of the Audit and risk committee</p>
8.		<p>Name: Benard Abuya Momanyi Date of Birth: Qualification: Bachelor of Management and Leadership</p>
9.		<p>Name: Mathew Mutua Date of Birth: Qualification: Bachelor of Project Planning and Management</p>
10.		<p>Name: Irene Koli Kwoko Date of Birth: 05/02/1977 Qualification: Master of Education Arts Experience: Has a wide experience in management, especially in the education sector after rising through the ranks to become the principal Masinga TVC. Irene serves as the secretary to the board, although not a member of ICS as required under the Mwongozo</p>

Masinga Technical and Vocational College College
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4. Key Management Team

SN	Member/ Director	Details
1.	 Irene Koli Kwoko Master of Education Arts	Principal/Accounting Officer
2.	 Laban Mbuvo Nzau Bachelor of information Technology	Deputy Principal Administration
3.	 Edward Sogoni Asave Bachelor of Commerce-Finance option	Deputy Principal Academics
4.	 Edwin Mbithi Kimongo Bachelor of Information Technology	Registrar
5.	 Jacinta Mwikali Mutula Bachelor in Information	Dean of Students

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	Communication Technology	
6.	 Monicah Katile Kyalo Bachelor of Economics and Statistics CPA(K)	Head of Finance
7.	 Maurine Ndinda Nzomo Bachelor of Science in Procurement and Contract Management	Head of Procurement

5. Chairman's Statement

It is with great pride and a profound sense of optimism that I present the Annual Report for the 2024-2025 fiscal year on behalf of the Board of Governors of Masinga Technical and Vocational College. This year has been a period of remarkable progress and transformation for our institution. We have navigated a dynamic educational landscape with resilience and a steadfast commitment to our core mission: To produce graduates with competent skills that meet the dynamic demands of the local and global industry.

The Board members remained privy to and committed to performing their functions as set out under section 28(1) and section 29 of TVET Act 2023. The members discharged these functions with due diligence, professionalism and enthusiasm which propelled the College to the right direction during the FY 2024-2025.

The past year has been defined by our collective efforts to align our programs with the evolving needs of the Kenyan economy. We have embraced innovation, forged strategic partnerships and invested in infrastructure to ensure that our graduates are not just job-seekers, but job-creators, innovators and leaders in their respective fields. The need to produce industry ready graduates have seen Masinga Technical and Vocational College implement dual training and apprenticeship programs for hands-on learning, which involve working closely with companies to enable trainees acquire practical skills.

This report is a testament to the dedication of our trainees, the expertise of our trainers, the unwavering support of our staff and the collaborative spirit of our partners. The synergy from these stakeholders is an indication that we are building a brighter future for our learners and for Kenya.

The 2024-2025 fiscal year was marked by several key achievements that have propelled our college to new heights:

- **Enhanced Infrastructure:** We completed the construction of temporary classrooms, additional permanent classrooms and embraced the use of ERP software to enhance accuracy and efficiency in service delivery.
- **Growth in Student Enrolment:** The number of trainees increased from 1034 students in 2024 to 2,756 trainees by the end of 30th June 2024. Our student population grew by

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

166.5% this year, a clear indicator of the trust and confidence that the community has in our institution.

Our strategic direction is guided by the national development agenda, including the Bottom-up Economic Transformation Agenda (BETA) and the Vision 2030 blueprint. We are committed to playing our part in building a globally competitive and prosperous nation. In line with this, we have:

- **Championed Competency-Based Education and Training (CBET):** We have fully transitioned to the CBET curriculum for all our programs, ensuring that our assessment and certification processes are competency-based and meet the demands of the modern workplace.

We recognize that collaboration with the private sector is crucial for the success of our graduates.

This year, we have strengthened our industry linkages by:

- **Signing Memoranda of Understanding (MoUs):** We have signed MoUs with eight leading companies for student internships, industrial attachments and dual training.

The Board has maintained rigorous oversight of the college's finances to ensure transparency, accountability and the efficient use of resources. Our financial position remains strong, and we are committed to making prudent investments that will enhance the quality of our programs and services.

We have also faced our share of challenges this year, including the rising cost of training materials and the need to constantly upgrade our equipment to keep pace with technological advancements. In addition, Masinga TVC has inadequate infrastructure due to rapidly growing number of trainees, making the construction of additional classrooms and investing in more plant, property and equipment imperative.

As we look to the future, we are filled with a sense of excitement and anticipation. Our strategic plan for the next fiscal year will focus on:


- **Procure a 67-seater bus:** We plan to purchase a 67-seater bus to ease movement for trainees and trainers when attending academic trips and co-curricular events.
- **Additional infrastructure:** We plan to construct ultra-modern college gate and workshop complex and purchase additional ERP modules and virtual reality equipment to leverage technology in service delivery to trainees and other stakeholders.

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- Enhanced Trainees' Enrolment: We continue to undertake a vibrant marketing campaign and collaborate with local leaders to boost the number of trainees.

As I conclude, I would like to express my deepest gratitude to the Ministry of Education, the TVET Authority, our industry partners, the community, our dedicated staff and our talented trainees. Masinga TVC's BOG Chairperson and other BOG members highly acknowledge the support the College has so far received from the government in forms of grants and capitation, among others. In addition, the Board appreciates the continued assistance from other stakeholders, including Masinga Constituency leadership, for their seamless support in terms of bursaries and other aids. Your collective efforts have been the driving force behind our success.

Sylvester Muoki,



BOG CHAIRPERSON

6. Report of the Principal

I take this opportunity to present the financial statements of Masinga TVC for the FY 2024-2025. I have continually performed my duty and responsibility with professionalism, commitment, and enthusiasm and due diligence to ensure that the College remains a going concern and learners receive the best quality education.

Since its inception in 2017 with the first 71 students admitted in 2018, Masinga TVC has been on a steady growth trajectory with the number reaching 2,756 trainees by 30th June 2025 from 1034 in 2024, an increase by 166.5%. The increase in the number of trainees is largely attributed to the intensified marketing efforts, encompassing the use of social media platforms, print media and contacts. The Management of the College has played a crucial role in ensuring that Masinga TVC remains a center of excellence by creating a conducive environment for quality learning. The College made various milestones during the FY 2024-2025, including participating in TVET fair exhibitions, ball games, athletics and World Skills Exhibitions. Other successes of Masinga TVC entail:

- Purchase of water tanks for water storage
- Procured printers for training and office use
- Purchase of equipment for various departments
- Recruitment of additional trainers and support staff, including Accountant and Assistant Procurement Officer.

The various challenges faced by the institution include:

- Inadequate physical infrastructure due to the growing number of trainees and trainers. This necessitates the constructions of more classrooms, workshops, offices, hostels and staff houses.
- Delayed disbursement of recurrent funds by the government, which affects the way the College implements its budget. Our trainees hail from humble backgrounds making them unable to meet all financial obligations.

The management is committed to overcome these challenges and has since planned to undertake the following activities during the FY 2024/2025

- i. Construct additional classrooms
- ii. Procure a 67-seater college bus to ease movement
- iii. Construct college gate for enhanced security and safety

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- iv. Procure more printers for training and offices.
- v. Strengthen the College financial base through increasing income generating activities.
The process will involve seeking collaborations and partnerships with National and County governments by writing proposals for donor funding.
- vi. The college also plans to increase industrial linkages and partnerships so as to enhance hands-on learning.

Regarding financial performance of the College, the management during the FY 2024/2025 targeted to raise A.I.A (Appropriation in Aid) of Ksh.84, 188,159. However, by the end of the financial period the college had collected A.I.A amounting to Ksh.53, 347,417, constituting 63% of the budget. We remain committed to undertaking every activity that will see Masinga TVC in a steady growth trajectory in academic excellence and other endeavours.

Irene Kwoko,

PRINCIPAL/ACCOUNTING OFFICER

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7. Statement of Performance against Predetermined Objectives

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

Pillar 1: Provide High Quality Technical Education

Pillar 2: Transparency and Accountability

Pillar 3: Partnership and Community Engagement

Masinga TVC develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2024/2025 period for its (3) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. Provide high quality technical education	To produce competent graduates who meet dynamic market demands	Attracting high number of trainees	Marketing by the use of technology and KUCCPS registration	Increased trainees' enrollment
2. Transparency and Accountability	To ensure openness and sharing of information.	Producing true and fair financial reports	Strictly adhering to the requirements of PFM Act 2012 and audit reports	Being audited and sharing true and fair audit reports
3. Partnership and Community Engagement.	To include the community in the activities of MTVC	Collaboration between the College and the community.	Finance sponsorship to needy students. Participating in activities as tree planting	CDF Masinga sponsoring needy students. Community participating in tree planting exercise.

8. Corporate Governance Statement

i. The Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the College. The board consists of nine members. The Boards of Governors for Masinga Technical and Vocational College serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

ii. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;

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- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions.

iii. Board of Governors Allowances

Masinga TVC gives sitting allowances to board members to cater for their transport.

Meetings

- a. Full board meetings - are held once every quarter
- b. Board committee meetings- once every quarter

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9. Management Discussion and Analysis

Section A

The entity's operational and financial performance

During the period ended 30th June 2025, Masinga TVC had 2,756 students compared to about 450 in the year 2022/2023. The increased number of students is attributed to the College's publicity and marketing strategy by creating public awareness through contact, social media and print media. To further enhance service delivery in financial management, the College continues to lobby and mobilize financial resources for Technical Training, Innovation and Research on Technical fields.

Section B

Entity's compliance with statutory requirements

During the FY 2024/2025 the College managed to clear all statutory deductions. However, the issue of poor fee payment hindered the full settlement of other financial obligations, including pending bills.

Section C

Key projects and investment decisions the entity is planning/implementing.

The College management invested in additional temporary classrooms, ERP System and Jitume Laboratory and plans to build College Gate, buy a 67-Seater Bus and other necessary infrastructure to enhance learning and service delivery.

Section D

Major risks facing the entity

- Inadequate funding by the Ministry of Education-on capitation/operation and development grant
- Delayed funding
- Poor fee payment by students

The above factors compromise the College's ability to meet its strategic, tactical and operational objectives fully.

Section E

Material arrears in statutory/financial obligations

No material arrears in statutory obligations.

Section F

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The entity's financial probity and serious governance issues

During the fourth quarter of the FY 2024/2025, Masinga TVC operated partly under no Board of Governors.

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NAME	DESIGNATION	NO. OF MEETINGS	MEETINGS ATTENDED
Sylvester Muoki	Chair	4	3
Irene Kwoko	Principal/Secretary to the Board	4	4
Joachim Kalamu	Member	4	2
Maryan Abdi	Member	4	4
Mathew Mutua	Member	4	2
Anne Kariuki	Member	4	3
Josephine Ayienda	Member	4	3
Celestine Shikuku	Member	4	4
Philip Nziuki	Member	4	4
Benard Momanyi	Member	4	2

The related parties for the purpose of this report include,

- The Government
- The Board of Governors
- The Management

Operational and Financial Performance

During the year ended 30th June 2025, Masinga TVC had 2,756 students compared to about 1034 in the year 2023/2024. The increased number of students is attributed to the College's publicity and marketing strategy through public awareness through contact, social media and print media. To further enhance service delivery in financial management, the College continues to lobby and mobilize financial resources for Technical Training, Innovation and Research on Technical fields.

Financial and Management Risks

Major risks facing MTVC include:

- Inadequate funding by the Ministry of Education-on capitation/operation and development grant
- Delayed funding
- Poor fee payment by trainees

The above factors compromise the College's ability to meet its operational objectives fully.

Material Arrears in Statutory and Financial Obligations

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During the FY 2024/2025 the College managed to clear all statutory deductions. However, the issue of poor fee payment hindered the full settlement of other financial obligations, including pending bills.

Governance

During the FY 2024/2025, Masinga TVC partially operated under an active Board of Governors.

Budget Achievement

Masinga TVC had a total budget of Ksh. 84,188,159 in FY 2024-2025. The College realized Ksh.53,347,417 which translates to 63% of the total budget. The difference in revenue collection is attributed to the delay in the HLB and capitation disbursement and poor fee payment by trainees.

College's compliance with statutory requirements

The College complies with making statutory payments before relevant deadlines. The College employees pay P.A.Y.E Tax as generated on the I-tax portal.

Major risks facing the College

Financial Litigation – due to limited finances, the College has not been able to start major projects.

Material arrears in statutory /financial obligations

At end of the financial year the college had work in progress for construction of two lecture rooms.

10. Environmental And Sustainability Reporting Statement

The Masinga Technical and Vocational College exists to transform lives, which is the impetus to every action we undertake. The purpose is the guideline for the College to deliver its strategy, which is premised on three pillars, including putting citizen customers first, delivering relevant goods and services, and improving operational excellence. A brief highlight of the achievements are as follows:

Sustainability Strategy and Profile

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of Masinga TVC. The management of the College has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration: Good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting: Masinga TVC reports sustainability issues within the College's report separately or incorporated in the integrated Colleges report.

Environmental performance

The environmental impact of an organization is an important factor in evaluation of the College's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main cause of the low social responsibility of Masinga TVC. The environmental performance of Masinga TVC exerts influence on the corporate social responsibility.

Employee welfare

Masinga TVC seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

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The College is an equal employer where all the applicants have equal chances of being employed irrespective of their gender, tribe or religion. The College often ensures gender and ethnicity balance during recruitment. There is a standardised appraisal and rewarding system which applies to all employees within the College. Masinga TVC discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

Market place practices-

Masinga TVC maintains corporate social responsibility in the market place practices through the College and suppliers taking responsibility to do no harm to the environment, to reduce waste and pollution as well as comply with government regulations. In order to stay away in the competition, the College determines its strategies and plan their relevant activities

Corporate Social Responsibility / Community Engagements

Masinga TVC seeks and maintains important links with the community. The College collaborates and partners with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Masinga TVC engages in community developments as follows;

- *Training of community professionals in computer support and maintenance*
- *Trainees perform voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.*
- *Trainees support vulnerable communities in the development and improvement of their housing space*

11. Report of the Board of Governors

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

Principal activities

The principal activities of the entity are providing knowledge and skills to the people of the larger Machakos County and beyond. The Mandate of MASINGA TECHNICAL AND VOCATIONAL COLLEGE is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended June 30, 2025 are set out on page 1 and 2.

Board of Governors

Most board members, including the board chairperson retired during the FY 2024-2025 and new board members have been appointed to replace them.

Auditors

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

By Order of the Board



.....
Secretary of the Board

Nairobi

Date: 24/11/2025

12. Statement of Board of Governors Responsibilities

Section 83 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the board members to prepare financial statements in respect of Masinga TVC, which give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period. The Board members are also required to ensure that Masinga TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial period ended on **30th June 2025**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

The Finance Officer has brought to the attention of the Accounting Officer who is the Secretary to the Board challenges around disclosing and accounting for property, plant and equipment, including valuation of the land on which Masinga TVC stands and revaluation of the college/administration building and other assets. The Accounting Officer/Secretary to the Board is dedicated to address the issue to enable full disclosure of material information in the next financial report for the Financial Year (FY) 2025-2026.

Nothing has come to the attention of the board members to indicate that Masinga TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The College's financial statements were approved by the Board on 24/11 2025 and signed on its behalf by:



.....
Name Sylvester Nwaki
Chairperson of the Board



.....
Name: Irene Kwoko
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR - GENERAL ON MASINGA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

Qualified Opinion

I have audited the accompanying financial statements of Masinga Technical and Vocational College set out on pages 1 to 37, 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 the 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 Masinga Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 15 (a) to the financial statements reflect current portion of receivables from exchange transactions balance of Kshs.85,787,747. Included in the balance are receivables totalling Kshs.2,095,937 which have been outstanding for more than one year. Management did not provide measures put in place to recover the long outstanding receivables.

In the circumstances, the accuracy and recoverability of current portion of receivables from exchange transactions balance of Kshs.2,095,937 could not be confirmed.

2. Unconfirmed Property Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.85,415,359 which, as disclosed in Note 17 to the financial statements includes Kshs.30,000,000 relating to Land whose ownership documents were not provided for audit review.

In the circumstances, the accuracy and ownership of land valued at Kshs.30,000,000 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.84,188,159 and Kshs.53,347,417 respectively resulting to under-funding of Kshs.30,840,742 or approximately 37% of the budget.

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

2. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 18 to the financial statements reflect trade and other payables balance of Kshs.17,664,984. Included in the balance are payables totalling Kshs.8,257,358 which have been outstanding for more than one year and no measures had been put in place to settle the debts.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Subscriptions to Kenya Association of Technical Training Institutions (KATTI)

As previously reported, Note 9 to the financial statements reflects activity expenses amount of Kshs.4,561,100 which includes Kshs.515,170 paid to Kenya Association of Technical Training Institutes (KATTI). However, KATTI is a registered association and not a regulatory body recognized by the Technical and Vocational Education and Training Act, 2013. This is contrary to Section 68(1)(a) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a National Government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is lawful and authorized.

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

2. Failure to Maintain Imprest Register

The statement of financial performance and as disclosed in Note 9 to the financial statements reflect Kshs.32,357,230 in respect to use of goods and services which includes Kshs.4,801,772 in respect to local transport and travel. However, review of records revealed that the College did not maintain an imprest register. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for. In addition, no imprest warrants were maintained contrary to Regulation 91(2) of the Public Finance Management (National Government) Regulations, 2015 which states that the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant.

Further, imprest was advanced to officers who had outstanding imprest contrary to Regulation 91(4b) of the Public Finance Management Act, 2015 which states that the applicant of imprest should not have any outstanding imprests.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 Disaster Recovery/Business Continuity Plan

Review of records and systems revealed that the College did not have a Disaster Recovery or Business Continuity Plan in place. Without such a Plan, the College lacks a systematic approach to identify, prevent and mitigate potential disasters which may result in interruptions to its operations. In addition, the College did not have a strategy for recovery of lost data to allow for business operation to be restored in the event of disaster.

In the circumstances, the effectiveness of disaster recovery and business continuity could not be confirmed.

2. Lack of Internal Audit Function

The College had not established an internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee. As such the College did not benefit from the assurance and advisory services from the internal audit function.

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

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

Responsibilities of the Management and Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

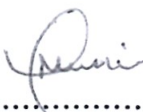
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14. Statement of Financial Performance For The Year Ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	5	1,999,425	16,286,718
		1,999,425	16,286,718
Revenue from Exchange transactions			
Rendering of services- fees from students	6	122,628,651	15,397,695
Sale of goods	7	48,295	0
Rental revenue from facilities and equipment	8	511,000	0
Revenue from Exchange transactions		123,187,946	15,397,695
Total Revenue		125,187,371	31,684,413
Expenses			
Use of goods and services	9	32,357,230	24,728,181
Employee costs	10	5,873,275	5,750,051
Board Expenses	11	1,733,063	360,000
Depreciation and amortization expense	12	4,282,991	3,465,860
Repairs and maintenance	13	9,822,571	4,851,033
Total Expenses		54,069,130	39,155,125
Net surplus/(deficit) for the year		71,118,241	(7,470,712)

(The notes set out on pages 17 to 27 form an integral part of the Annual Financial Statements).

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



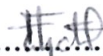
Chairman of Council/Board

Date:24/11/2025



Principal

Date:24/11/2025



Finance Officer

ICPAK No: ASSOC/4982

Date:24/11/2025

Masinga Technical and Vocational College College
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15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	621,361	361,813
Current portion of receivables from exchange transactions	15(a)	85,787,747	10,649,618
Receivables from non-exchange transactions	16	0	3,213,574
Total Current Assets		86,409,108	14,225,005
Non-Current Assets			
Property, plant, and equipment	17	85,415,359	85,764,950
Total Non-Current Assets		85,415,359	85,764,950
Total Assets (A)		171,824,467	99,989,955
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	17,664,984	16,948,713
Refundable deposits from customers	19	1,413,910	1,413,910
Total Current Liabilities		19,078,894	18,362,623
Total Liabilities (B)		19,078,894	18,362,623
Net Assets (A-B)		152,745,573	81,627,332
Represented By:			
Accumulated Surplus		71,331,110	212,869
Capital Fund		81,414,463	81,414,463
Net Assets		152,745,573	81,627,332


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



Chairman of Council/Board



Principal



Finance Officer

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

Date:24/11/2025

Date:24/11/2025

ICPAK No: ASSOC/4982

Date:24/11/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	0	5,521,034	80,672,792	86,193,826
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	(7,470,712)	0	(7,470,712)
Capital grants received during the year	0	0	741,671	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	2,162,547	0	2,162,547
At June 30, 2024	0	212,869	81,414,463	81,627,332
At July 1, 2024	0	212,869	81,414,463	81,627,332
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	71,118,241	-	71,118,241
Capital grants received during the year	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	0	0
At June 30, 2025	0	71,331,110	81,414,463	152,745,573

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).

Masinga Technical and Vocational College College
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	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		2,499,252	12,353,920
Scholarship received -2023/2024		2,713,746	0
Capitation-2024/2025		6,185,950	0
Rendering of services- fees from students		41,389,174	22,876,458
Examination Fees		0	1,489,003
Sale of goods		48,295	0
Rental revenue from facilities and equipment		511,000	0
Total Receipts		53,347,417	36,719,381
Payments			
Use of goods and services		34,606,703	19,865,598
Employee costs		5,912,955	7,678,355
Board /Council Expenses		1,733,063	360,000
Repairs and maintenance		8,338,748	4,281,156
Examination		0	2,126,480
Total Payments		50,591,469	34,311,589
Net Cash Flows from operating activities		2,755,948	2,407,792
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(2,496,400)	(893,000)
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		(2,496,400)	(893,000)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		(0)	(0)
Net cash flows used in financing activities		(0)	(0)
Net Increase/(Decrease) in Cash and Cash equivalents		259,548	(1,514,792)
Cash and Cash equivalents at 1 JULY	14	361,813	(1,152,979)
Cash and Cash equivalents at 30 JUNE	14	621,361	361,813

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

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	D	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from other National Government entities	2,499,252	(0)	2,499,252	2,499,252	0	100
Rendering of services-Capitation and scholarship	36,043,883	(0)	36,043,883	8,899,696	27,144,187	24.69
Rendering of services- fees from students	45,295,024	(0)	45,295,024	41,389,174	3,905,850	91.37
Sale of goods	150,000	(0)	150,000	48,295	101,705	32.20
Rental revenue from facilities and equipment	200,000	(0)	511,000	511,000	(311,000)	255.5
Total Receipts	84,188,159	(0)	84,188,159	53,347,417	30,840,742	xxx%
Payments						
Use of goods and services	60,510,104	-	60,510,104	34,606,703	25,903,401	57.19
Employee costs	7,160,000	(0)	7,160,000	5,912,955	1,247,045	82.58
Board Expenses	1,118,000	(0)	1,118,000	1,733,063	(615,063)	155
Repairs and maintenance	13,150,055	(0)	13,150,055	8,338,748	4,811,307	63.41
Total Expenditure Payments	81,938,159	(0)	81,938,159	50,591,469	31,346,690	
Capital Expenditure Payments	2,250,000	(0)	2,250,000	2,496,400	(246,400)	
Surplus	0	0	0	259,548	259,548	

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

Masinga Technical and Vocational College College
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Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Surplus Amounts as per the statement of Budget	0
1	Non –disbursement of scholarship for FY 2024/2025	(27,144,187)
2	The students are very needy which makes paid of fees difficult	(3,905,850)
3	There was lack of awareness by clients but enough marketing has been done	(101,705)
4	Most of institution used mechatronics equipment for training CDACC trainees	311,000
5.	The under expenditure was due to non-disbursement of scholarship	25,903,401
6.	The under expenditure was due to non-employment of budgeted staff due to cash inflow issues	1,247,045
7.	The over-expenditure was due to inauguration of BOG which was not budgeted for	(615,063)
8.	The under-expenditure was due to cash inflow issues	4,811,307
9.	The over-expenditure was due to construction of temporary classes due to	(246,400)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	259,548

19. Notes to the Financial Statements

1. General Information

Masinga TVC is established by and derives its authority and accountability from TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide technical education.

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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across

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	<p>IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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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 have 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 Council or Board on **01/07/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity never recorded additional appropriations on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **1** of the **tax** Act Cap 470.

Sales tax/ Value Added Tax

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

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

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

Trade and other receivables

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

Financial liabilities

Classification

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

e) Inventories

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

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

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

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

Inventories (Continued)

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

f) Cash and cash equivalents

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

g) Comparative figures

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

h) Subsequent events

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

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5. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	0	5,949,425
Operational Grant	1,999,425	1,999,828
Development grants	0	0
Scholarship	0	8,337,465
Total unconditional Grants	1,999,425	16,286,718

(a) Transfers from other Government entities (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	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	1,999,425	0	0	1,999,425	16,286,718
Total	1,999,425	0	0	1,999,425	16,286,718

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix II

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6. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees collection from students	86,584,768	15,279,775
Industrial attachment	0	58,520
Examination fees	0	59,400
Capitation and scholarship	36,043,883	0
Total Revenue from The Rendering of Services	122,628,651	15,397,695

The total billing of Ksh 122,628,651 comprised capitation, scholarship and fees payable by parents. The capitation and scholarship is for the trainees who had benefitted from HELB and the bands could be determined. The fees collection from students is equal to total invoices less capitation and scholarship (122,628,651-36,043,883).

7. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Farm Produce	4,700	0
Cafeteria sales	43,595	0
Total Revenue from Sale of Goods	48,295	0

The revenue consists of income generated from the sale of agriculture farm produce and hospitality.

8. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of Facilities and Equipment	511,000	0
Total	511,000	0

Hire of Mechatronic Training equipment.

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9. Use of Goods and Services

Description	2024-2025 Kshs	2023-2024 Kshs
Teaching and learning materials	5,466,527	5,372,768
Industrial attachment costs	408,900	227,940
Administration Expenses	12,506,647	7,423,089
Activity	4,561,100	2,419,695
Electricity, Water and Conservancy	879,983	722,461
Examination fees	3,512,190	3,710,760
Travelling and Accommodation	4,801,772	4,801,795
Bank charges	85,929	49,673
Insurance	134,182	0
Total good and services	32,357,230	24,728,181

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10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	5,873,275	5,750,051
Employee Costs	5,873,275	5,750,051

11. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
BOG allowances	1,733,063	360,000
Total	1,733,063	360,000

12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	4,282,991	3,465,860
Total depreciation and amortization	4,282,991	3,465,860

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	9,822,571	4,851,033
Total Repairs and Maintenance	9,822,571	4,851,033

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14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	621,361	361,813
Total Cash and Cash Equivalents	621,361	361,813

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

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1275386806	569	569
Equity Bank	0390275609102	616,660	358,254
Kenya Commercial Bank	1223175537	2,990	2,990
Sub- Total		620,219	361,813
b) Others(<i>Specify</i>)			
Cash in Hand		1,142	0
Sub- Total		1,142	0
Grand Total		621,361	361,813

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15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	85,787,747	10,649,618
Total Current Receivables	85,787,747	10,649,618

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs	% of total	Kshs	% of total
	2024-2025	% of total	2023-2024	% of total
Less than 1 year	83,691,810	97.56	7,235,395	68
Between 1- 2 years	2,095,937	2.44	3,414,223	32
Total (a+b)	85,787,747	100	10,649,618	100

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16. Receivables from Non-Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Current Receivables				
Recurrent Grants	0		499,828	
Scholarship	0		2,713,746	
Total Current Receivables	0		3,213,574	

*(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).*

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	0	0	3,213,574	100
Total	0	0	3,213,574	100

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17. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	20%	12.5%	33.3%	20%	
At 1 July 2023	30,000,000	53,000,000	0	1,908,000	4,930,000	1,800,000	91,638,000
Additions	0	0	0	465,000	165,000	263,000	893,000
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/Adjustments	0	(0)	0	(0)	(0)	-	(0)
Revaluation	0	0	0	0	0	0	0
At 30th June 2024	30,000,000	53,000,000	0	2,373,000	5,095,000	2,063,000	92,531,000
Additions	0	0	0	1,434,000	1,023,800	1,475,600	3,933,400
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/Adjustments	(0)	0	0	(0)	(0)	0	(0)
Revaluation	0	0	0	0	0	0	0
At 30th June 2025	30,000,000	53,000,000	0	3,807,000	6,118,800	3,538,600	96,464,400
Depreciation And Impairment							
At 1 Jun 2023	0	1,060,000	0	238,500	1,641,690	360,000	3,300,190
Depreciation	0	1,060,000	0	296,625	1,696,635	412,600	3,465,860
Disposals	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
At 30 Jun 2024	0	2,120,000	0	535,125	3,338,325	772,600	6,766,050
Depreciation	0	1,060,000	0	475,875	2,039,396	707,720	4,282,991
Disposals	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0	0	0
At 30th Jun 2025	-	3,180,000	0	1,011,000	5,377,721	1,480,320	11,049,041
Net Book Values							
At 30th Jun 2024	30,000,000	51,880,000	0	1,837,875	1,756,675	1,290,400	86,764,950
At 30th Jun 2025	30,000,000	49,820,000	0	2,796,000	741,079	2,058,280	85,415,359

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Notes to the Financial Statements (Continued)

Valuation

No valuation was undertaken during the year.

17 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	30,000,000	0	30,000,000
Buildings	53,000,000	3,180,000	49,820,000
Plant And Machinery	3,538,600	1,480,320	2,058,280
Computers and Related Equipment	6,118,800	5,377,721	741,079
Office Equipment, Furniture, And Fittings	3,807,000	1,011,000	2,796,000
Total	96,464,400	11,049,041	85,415,359

18. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	14,792,010		13,990,181	
Fees paid in advance	2,872,974		2,958,532	
Total Trade and Other Payables	17,664,984		16,948,713	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	9,407,626	53.26	9,212,689	54.36
1-2 years	1,990,558	11.26	3,132,033	18.48
2-3 years	6,266,800	35.48	4,489,199	26.49
Over 3 years	0	0	114,792	0.67
Total	17,664,984	100	16,948,713	100

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19. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Caution money	1,413,910		1,413,910	
Total Deposits	1,413,910		1,413,910	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
1-2 years	0	0	1,413,910	100
2-3 years	1,413,910	100	0	0
Total (to tie to totals deposits above)	1,413,910	100	1,413,910	100

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20. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Adjusted for:	71,118,241	(5,308,165)
Depreciation	4,282,991	3,465,860
Contributed assets	(3,933,400)	(893,000)
Changes in capital fund	0	741,671
Working Capital Adjustments		
Increase/Decrease in Receivables	(71,924,555)	1,322,625
Increase in Payables	716,271	2,185,701
Net Cash Flow from Operating Activities	259,548	1,514,792

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

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21. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	10,649,618	10,649,618	0	0
Receivables from non-exchange transactions	3,213,574	3,213,574	0	0
Bank balances	361,813	361,813	0	0
Total	14,225,005	14,225,005	0	0
At 30 June 2025				
Receivables from exchange transactions	85,787,747	85,787,747	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	621,361	621,361	0	0
Total	86,409,108	86,409,108	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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Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	0	0	16,948,713	16,948,713
Total	0	0	16,948,713	16,948,713
At 30 June 2025				
Trade Payables	0	0	17,664,984	17,664,984
Total	0	0	17,664,984	17,664,984

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(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20XX			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities	0	0	0
Trade and Other Payables	0	0	0
Borrowings	0	0	0
	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

The entity manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	0	0
Usd	10%	0	0
20xx		0	0
Euro	10%	0	0
Usd	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

No sensitivity analysis was conducted during the year under review.

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iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Retained Earnings	71,331,110	(7,470,712)
Capital Fund	81,414,463	81,414,463
Total Funds	152,745,573	73,943,751
Total Borrowings	0	16,948,713
Less: Cash and Bank Balances	(621,361)	(361,813)
Net Debt/(Excess Cash and Cash Equivalents)	152,124,212	16,586,900
Gearing	0%	22.43%

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22. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	466,181
Water sales to govt. agencies	0	256,280
Total	0	722,461
b) Grants /Transfers from the Government		
Grants from National Govt	1,999,425	16,286,718
Total	1,999,425	16,286,718
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	0	7,888,738
Total		7,888,738
d) Key Management Compensation		
BOG allowances	1,733,063	360,000
Total	1,733,063	360,000

23. Events After The Reporting Period

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

24. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

25. Currency

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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)
Lack of Land Ownership Documents	BOG is following up on the matter	Not Resolved	30/06/2026	Lack of Land Ownership Documents
Irregular Subscription to KATTI	The Accounting Officer is Seeking Advise on best way to resolve the issue	Not Resolved	30/06/2026	Irregular Subscription to KATTI
Irregular Bank Overdraft	The Accounting Officer has resolved the issue	Resolved	N/A	Irregular Bank Overdraft
Lack of Internal Audit Function and an Audit Committee	The BOG is working on the issue. Audit committee already in place. Internal auditor to be employed	Partially Resolved	30/06/2026	Lack of Internal Audit Function and an Audit Committee
Failure to Maintain Imprest Register	Imprest Register Available	Resolved	N/A	Failure to Maintain Imprest Register
Irregular Recruitment	The is beyond the college management	-	-	Irregular Recruitment
Lack of Authentication of Academic and Professional Certificates	The Accounting Officer is working on the authentication of documents	Resolved	N/A	Lack of Authentication of Academic and Professional Certificates

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.....
Name **IRENE KWOK**
Accounting Officer
(Enter title of Head of entity)
Date



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Appendix II- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry Of Education
 Name of beneficiary entity: Masinga Technical and Vocational College

Confirmation of amounts received by Masinga Technical and Vocational college as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MoE/DTE/CAP9/37	15/07/2024	499,828	0	499,828	2023/2024
	20/09/2024	402,962	0	402,962	2023/2024
MOE/DTE/SCHO/VOL.1(103)	21/09/2024	853,128	0	853,128	2023/2024
	21/09/2024	900,160	0	900,160	2023/2024
	24/09/2024	557,496	0	557,496	2023/2024
MOE/DTE/CAP/45(83)	23/09/2024	1,766,525	0	1,766,525	2024/2025
MOE/DTE/CAP/46(72)	14/02/2025	4,419,425	0	4,419,425	2024/2025
MOE/VTT/ACC/Vol.4.	17/06/2025	1,999,425	0	1,999,425	2024/2025
Total		11,398,949		11,398,949	

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

Head of Accounts Department - Disbursing Entity:
 Name EMILIO IREBI Sign [Signature] Date 24/11/2025

Head of Accounts Department - Beneficiary Entity:
 Name Monica Kyalo Sign [Signature] Date 24/11/2025

