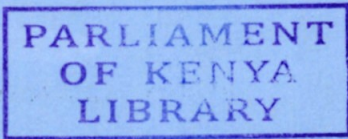


REPUBLIC OF KENYA



REPORT


OF

THE AUDITOR-GENERAL

ON

**KIPTARAGON TECHNICAL AND
VOCATIONAL COLLEGE**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. DWEN BAYA, MP	
PREPARED BY: CHRISTINE NDIRITU	



KIPTARAGON 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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TABLE OF CONTENTS

1. Key Entity Information and Management	iii
2. The Board of Governors	viii
3. Key Management Team	x
4. Chairman’s Statement	xi
5. Report of the Principal	xii
6. Statement of Performance against Predetermined Objectives	xiii
7. Corporate Governance Statement	xix
8. Management Discussion and Analysis	xxi
9. Environmental and Sustainability Reporting Statement	xxiv
10. Report of the Board of Governors	xxvii
11. Statement of Board of Governors’ Responsibilities	xxviii
12. Report of the Independent Auditor on Kiptaragon Technical and Vocational College	xxix
13. Statement of Financial Performance For The Year Ended 30 June 2025	1
14. Statement of Financial Position As At 30th June 2025	2
15. Statement of Changes in Net Asset For The Year Ended 30 June 2025.....	3
16. Statement of Cash Flows for The Year Ended 30 June 2025.....	4
17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025	5
18. Notes to the Financial Statements.....	7
19. Appendices	28

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	College 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 College
KSTVET	Kenya School of Technical Vocational Education Training
TVC	Technical Vocational College
KTVC	Kiptaragon Technical and 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.

1. Key Entity Information and Management

(a) Background information

The Kiptaragon Technical and Vocational College was incorporated under the TVET Act 2013, section 20 (1) on 23rd September 2019. Kiptaragon Technical and vocational college is domiciled in Kenya, Nakuru County, Kuresoi South Constituency, Amalo Ward. The college is under the Ministry of Education, State Department for Technical, Vocational Education and Training (TVET).

(b) Principal Activities

The principal activity of KTVC is to;

- i. Avail training to all qualified Kenyans without discrimination.
- ii. Institute an appropriate mechanism to promote access, equity, quality and relevance in training to ensure adequate human capital for social-economic development.
- iii. Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through transfer of technology.
- iv. Promote training programs that shall take into account the educational, cultural and social economic background of the people
- v. Provide the technical and professional skills, knowledge, competences and levels of qualifications needed in the various sectors of the economy and in tandem with emerging needs.
- vi. Promote the trends towards integration of information and communication technologies to multiply access and improve training capacity, delivery modes and life- long employability of graduates at the international, national, regional and local level.

Our Vision

To be a center of excellence in Technical and Vocational Education Training (TVET)

Our Mission

To promote and impart Vocational Competencies and entrepreneurial skills for socio-economic development and self-reliance

(c) Key Management

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

- Board of Governors
- Senior Management

Key Entity Information and Management (Continued)

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Joseph Kitam
2.	Deputy principal administration	Moses Randich
3.	Deputy principal academics	Clara Muge
4.	Registrar	Kelvin Ngeno
5.	Dean of students	Henry Toroitich
6.	Head of Finance	Abel Ngetich
7.	Head of Procurement	Caroline Kailel

(e) Fiduciary Oversight Arrangements

Finance and Human Resource Committee

The Committee shall exercise all the powers of BOG in financial matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

Terms of Reference: The role of the Committee shall be to monitor the financial status of the college on behalf of the BOG. In addition to advising BOG on those matters referred to above, the Committee’s responsibilities shall be:

- (i) To monitor and facilitate the implementation of the College’s strategy with regard to financial matters;
- (ii) To consider the adequacy of the College estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new projects;
- (iii) To determine the fees and charges made for the college services and facilities
- (iv) To supervise the financial administration of the College and make recommendations to BOG where appropriate;
- (v) To supervise the arrangements for safeguarding the College’s assets;
- (vi) To ensure the proper financial evaluation and control of projects;
- (vii) To supervise the arrangements for investing the College’s funds, including monitoring the performance of investments;
- (viii) To ensure the appropriate exploitation of the College’s intellectual property;
- (ix) To make recommendations to BOG on the financing of projects; and
- (x) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
- (xi) To receive reports from the Accounting Officer ensuring that ensuring that financial statements are understandable, transparent and reliable;

Risk and Audit Committee Activities

The Committee shall exercise all the powers of BOG in audit, governance and risk management matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

Key Entity Information and Management (Continued)

- (i) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic;
- (ii) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top;
- (iii) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud;
- (iv) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the institution is party;
- (v) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas;
- (vi) Ensuring the internal auditor's access to the audit committee, encouraging communication beyond scheduled committee meetings;
- (vii) Reviewing internal audit plans, reports and significant findings; and
- (viii) Establishing a direct reporting relationship with the external auditors.

Training, Research and Infrastructure Development Committee Activities

The Committee shall exercise all the powers of BOG in Training, Research and Infrastructure Development matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The Committee responsibilities shall include:

- (i) Driving the College's research agenda in line with the country's Vision;
- (ii) Encouraging research culture in the college;
- (iii) Institutionalizing networking, collaboration research and outreach in the College;
- (iv) Encouraging innovation and handle issues to do with intellectual property rights;
- (v) Ensuring dissemination of research findings;
- (vi) Advising the Board of Governors on the strategic direction of the College's academic activities, academic risks and the overall effectiveness of services in support of the academic endeavour;
- (vii) Providing assurance to the Board of Governors on the effectiveness of the College's academic governance arrangements, the student experience, and setting and maintaining standards;
- (viii) Supporting the development of policies, guidelines, procedures, regulations and standards.

Senior Management Activities

The main purpose of the senior management team is to:

- (i) Ensure that KTVC BOG is able to take strategic decisions relation to the College's activities;

- (ii) Provide leadership in communicating KTVC mission, vision, strategic goals, core values, plans and achievements effectively and consistently to BOG, Government, and Staff, Clients, community members and the general public and other stakeholders;

Key Entity Information and Management (Continued)

- (iii) Be accountable for the development and implementation of the College's strategic, corporate and business plans in line with the mission and vision; and
- (iv) Take a strategic overview of performance in all areas of the College's activities.
- (v) Make recommendations to the BOG on the implementation and achievement of the Board's Strategic Framework;
- (vi) Monitor the College's Corporate Plan delivery through appropriate key management and performance information reporting to the Board of Governors appropriately;
- (vii) In light of income projections and forecasts, considers the annual grants and operational expenditures and monitors such expenditures;
- (viii) Determines strategic issues arising from the introduction of new policies or process, including actively managing risks across the College and regularly reviewing the corporate risk register;
- (ix) 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 Board and/or its relevant Committees;

(f) Entity Headquarters

P.O. Box 175-20152
Olenguruone
Off Molo-Olenguruone Road
KENYA

(g) Entity Contacts

Telephone: (254) 790 568 732/ 0797 541 586
E-mail: kiptaragontvc@gmail.com or info@kiptaragontvc.ac.ke
Website: <https://kiptaragontvc.ac.ke>

(h) Entity Bankers

National Bank of Kenya
P.O BOX 68-20106
Molo

Access Bank Kenya PLC
P.O box 44 – 20152
Olenguruone

(i) Independent Auditors






Auditor-General
Office of Auditor General

Anniversary Towers, College Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Key Entity Information and Management (Continued)





- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. The Board of Governors







SN.	Member/ Director	Details
1.	 ENG. JOSEPH ROP	<p>DOB: 15th January 1959 PhD Divinity (Honorary) HND Highway Engineering Diploma in Civil Engineering Worked in Public Service as Technician Engineer for a period of 38 years coming out with wealth of experience in organizational skills and management ability</p> <p>Board Chairman</p>
2.	 MRS. EDITH IMBAYI	<p>DOB: 23rd November 1976 SMC & SLDP Baringo Campus Bachelor of Education (Early Childhood Development and Education) Currently working as Education Officer - County Government of Nakuru</p> <p>BOG Member.</p>
3.	 DR. KIRUI JOSEPH	<p>DOB: 19th February 1961 PhD Business Administration Master of Business (Human Resource Management) Bachelor of Commerce Associate Professor, University of Kabianga.</p> <p>BOG Member.</p>
4.	 ENG. ELIJAH MOKAYA BOSIRE	<p>DOB: 18th November 1956 Master's in Business Leadership (MBL) Bsc Electrical engineering Dip Electrical measurements Worked at KEBS and KPLC from 1980 to 2016</p> <p>BOG Member.</p>
5.	 MR. PETER BORE	<p>DOB: 7th January 1978 Bachelor of Laws (LLB) Postgraduate Diploma in Law He has 10years of experience in general firm management, civil and litigation</p> <p>BOG Member.</p>

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE

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

<p>6.</p>	 <p>DR. OTIENO DANIEL</p>	<p>DOB: <u>11th November 1969</u> PhD Educational Administration Master of Education- Educational Administration Bachelor of Education (Arts) Lecturer, Kenyatta University</p> <p>BOG Member.</p>
<p>7.</p>	 <p>MR. EMMANUEL K. MUTAI</p>	<p>DOB: <u>12th June 1992</u> Bachelor of Architectural Studies Has 5 years of working experience at NG-CDF- Kuresoi South as Clerk of works</p> <p>BOG Member.</p>
<p>8.</p>	 <p>CPA NAOMI KOECH</p>	<p>DOB: <u>2nd July 1992</u> Bachelor of Commerce (Finance) CPA K. Has over 9 years of experience in Administration and Accounting field Has ever worked at KCB Bank, British Chamber of Commerce Kenya, Umati Capital, BAT and currently working as Accountant at Dormakaba Kenya Ltd.</p> <p>BOG Member.</p>
<p>9.</p>	<p>MRS. ROSEMARY KIMANI</p>	<p>County Director, Rift Valley Central Region</p> <p>CD TVET NAKURU</p>
<p>10.</p>	 <p>MR. JOSEPH KITAM</p>	<p>DOB: <u>31st March 1975</u> Bachelor of Education (Technology Education) Has been in teaching profession since October 2003.</p> <p>Principal/BOG Secretary.</p>

3. Key Management Team

No.	Member/ Director	Details
1.	 MR. JOSEPH KITAM	<p>DOB: <u>31st March 1975</u> Bachelor of Education (Technology Education) Has been in teaching profession since October 2003.</p> <p>Principal/BOG Secretary.</p>
2.	 MR. MOSES RANDICH	<p>DOB: <u>4th April 1990</u> Postgraduate Diploma in Education Bachelor of Science in Information Technology</p> <p>Deputy Principal- Administration and Finance</p>
3.	 MS. CLARA MUGE	<p>DOB: <u>9th June 1979</u> Bachelor of Education (Home science and Technology) Master's degree in Hospitality Management</p> <p>Deputy Principal- Academics</p>
4.	 MR. KELVIN NGENO	<p>DOB: <u>28th July 1994</u> Diploma in Technical Education Bachelor of Science in Food science and Technology</p> <p>Registrar</p>
5.	 MR. HENRY TOROITICH	<p>DOB: <u>1st January 1987</u> Master's degree in Agricultural Economics and Resources Management Bachelor of Science in Agricultural Economics and Resources Management</p> <p>Dean of Trainees.</p>
6.	 MR. ABEL K. NGETICH	<p>DOB: <u>20th October 1997</u> Bachelor of Commerce – Accounting Option Certified Public Accountant Finalist.</p> <p>Accountant.</p>

4. Chairman's Statement


I take this opportunity to present the Annual Report and Financial Statements for the year ended 30th June, 2025 for this great College.

During the financial year ending 30th June, 2025, the College remained focused on its mission to provide Technical, Vocational Education, Training and Research that promotes creativity, innovation and incubation to meet local, regional and global dynamic socio-economic and environmental challenges.

I wish to state that during the financial year, the College maintained prudent financial management strategies and controls to avoid wastage of resources.

The Board is committed to the highest level of probity in the conduct of its business and continues to offer leadership and guidance to the management in order to achieve the College's strategic objectives as a set out in the Strategic Plan. During the financial year, the Management has ensured compliance to the various regulatory bodies including Kenya Revenue Authority, National Social Security Fund and National Hospital Insurance Fund by paying all the requisite taxes and remittances as permitted by the legislation.

The Board thanks all the stakeholders including the trainers, administrative staff, suppliers, trainees, the community surrounding the College and most sincerely the Government of Kenya who contributed in one way or another to make the year successful specifically for funding the College through the capitation funds. God bless us all.



.....

ENG. JOSEPH ROP
CHAIRMAN/BOG

5. Report of the Principal

Kiptaragon Technical and Vocational College is well placed to providing adequate and relevant training her graduates that will enable them to contribute towards the attainment of our country’s Vision 2030 strategic objectives. In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our academic programs in several ways that will ensure their competitiveness in terms of quality and relevance.

With the guidance of the Governing Board, we worked hard in setting up structures and policies aimed at guiding the institution in the right strategic direction.

a) Highlights of FY 2024/2025 Performance

The performance of the College for the year 2024-2025 are set out in pages 1-5.

b) Trainees Enrolment

We closed the year with a total population of 561. I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within our Counties, Country, Regionally and globally at the same time contributing to the realization of the Big 4 Agenda: Health, Manufacturing, and Affordable Housing and Food security.

Kiptaragon Technical and Vocational College being a tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. However, the College requires a lot of support from the Government and other stakeholders in this crucial transitional stage to a National College in terms of funding, material support and enhancement of Income Generating Activities to reinforce external support.

On behalf of the College Board, staff and trainees, I take this opportunity to thank the Government for its unequivocal support during the year under review.

One of the major challenges we faced as an institution is the reduction of trainee capitation from the National government and delayed remittance of the same. This adversely affected our performance and budget projections.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the entire staff and our trainees that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.



.....

MR. JOSEPH K. KITAM
BOG SECRETARY/PRINCIPAL

6. Statement of Performance against Predetermined Objectives

Kiptaragon Technical and Vocational College has 8 strategic pillars and objectives within its Strategic plan for the **FY 2020/2021 – 2024/2025**. These strategic pillars are as follows:

Pillar 1: Governance and Management

Pillar 2: Finance

Pillar 3: Academic Programs

Pillar 4: Infrastructure

Pillar 5: Students’ Welfare

Pillar 6: Information/Communication Technology

Pillar 7: Human Resource

Pillar 8: Business Enterprises

Kiptaragon TVC develops its annual work plans based on the above 8 pillars

Strategic Pillar	Objective	Key Performance	Activities	Achievement
Pillar 1: Governance & Management	College management and governance team of Kiptaragon TVC	Set up the Board of Governors as per TVET ACT 2013 mandate.	Establish the BOG	BoG established
		Establish the Organizational structure	Setting up the Organization Structure	Done
		Propagate a performance-oriented culture	College a performance management framework	Training done
			Introduce the implementation of the Service charter	Done
		Setting up of committees	<ul style="list-style-type: none"> • Strategic plan implementation committee • College Master plan committee 	SP implementation committee appointed
		Develop initiatives for funding Kiptaragon TVC developments	<ul style="list-style-type: none"> • Capacity building of Finance and human resource committee 	BoG induction done

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Strategic Pillar	Objective	Key Performance	Activities	Achievement
			Capacity building of risk and audit committee	BoG induction
		Promote national values and principles of financial management	<ul style="list-style-type: none"> • Capacity building to enhance national values and principles of governance • Create suggestion boxes • Capacity building on risk assessment and mitigation plan • Review customer service delivery charter (when need arise) 	<ul style="list-style-type: none"> • Continually done • Suggestion box fixed
		Corporate Kiptaragon Technical and vocational college	<ul style="list-style-type: none"> • Capacity building on corporate Kiptaragon Technical and vocational college • Adherence to Corporate color (s) 	1. Corporate colors in use
Pillar 2: Finance	To achieve the Financial Sustainability of KTVC to carry out its mandate and functions	Set up publicity/ marketing strategies	<ul style="list-style-type: none"> • Introduce income generating activities • Establish vibrant marketing team 	<ul style="list-style-type: none"> • Potato farming introduced • Began dairy farming • IGA Committee formed
	To strength KTVC financial management system	Promote prudent financial management	Form a budget planning, controlling and monitoring committee	-Committee formed
		Automation of procurement & finance department		-ERP system acquired
		Asset management	1. College machine replacement policy	-Committee formed

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE

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

Strategic Pillar	Objective	Key Performance	Activities	Achievement				
Pillar 3: Academic Programs and Quality Assurance	Increase students' enrolment from 254 to 1500 by year 2025/26	Improve on corporate communication	Develop corporate communication strategies	-				
			Develop student training, assessment and monitoring of trainer's tools	Done regularly				
	To develop high quality market driven training and research programs	To develop high quality market driven academic and research progress. (CBET oriented)	Improve students' performance and enhance the quality of teaching and learning	Create linkage and collaboration with industry	ILO established			
				Students pass rate in exams should be 80%	-			
				Improve monitoring of student training, assessment/monitoring and lesson attendance	Monitoring tools developed and in use			
				Develop & implement a performance management system for trainers	-			
				Improve educational portals /blogs and create more awareness through training	-			
				Purchase more reference materials, textbooks and manuals	-			
				Pillar 4: Infrastructure	To provide adequate teaching, learning, facilities	Provide modern facilities, and equipment for teaching, learning and operations	Equipping of library	Equipping is ongoing
							Construction and completion of Multipurpose Hall	-
Construction of lecture halls	-							
Construct and equip drawing labs	Drawing lab equipped							

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Strategic Pillar	Objective	Key Performance	Activities	Achievement
			Construct and Equip computer labs	- Equipping is ongoing
			Completion and Equipping of Applied sciences laboratory	
			Equip hospitality, Food and Beverage lab	Equipped
		Maintenance of KTVC facilities	Construction of parking facilities, laying of Gabbro	Ongoing
			Blocks on the front of the college	Ongoing
Pillar 5: Student Welfare	To enhance well-being of the students in KTVC	Improve health services	Introduce sporting activities and societies	Active inter department sports
		Affordable housing	Partnering with local community landlords for accommodation and enlisting them in Kiptaragon TVC website	Partnering established
		Develop co-curriculum activities and societies	Use motivation speakers	Done termly
			Training peer counsellors	
	To develop high moral values and sound life skills among students	Strengthen Guidance and counselling	Training staff in all departments on guiding and counselling	
			Establish a counselling department	Established
		Establish student's union/ leadership	Introduction of students' constitution	Established
	Pillar 6: ICT	To integrate ICT in teaching of all programs, learning and administration	Set up the necessary infrastructure for E-learning	Provide continuous training on students' leadership
Procure more presentation devices				-
Integrate communicate on networks			Increase internet connectivity and bandwidth	20Mbps in use
			Procure additional ICT devices - Laptops, tablets among others	6 Desktops computers procured

Strategic Pillar	Objective	Key Performance	Activities	Achievement		
			Set up a VOIP network at all officers and operationalize (CISCO)	In use in main offices		
			Redesign website to be more interactive	Ongoing		
		Secure KTVC information resources	Installation of firewalls and anti-viruses	Ongoing		
			Design the LAN to Worldbest standards	Done		
			Create awareness on cyber security issues (ISMS)	Ongoing		
		Ensure adequate access to ICT facilities	Develop and equip labs for all academic departments			
		Enhance ICT literacy among the Kiptaragon TVC staff	Industry attachment	-		
			Develop short course for technician/trainers and staff	Continually done		
			Offer periodic trainings			
			Train staff on technological culture change			
		Pillar 7: Human Resource	To recruit, develop and retain highly skilled human resource	Equip trainers with current technology through periodic training	Industry attachment	-
					Short courses for technicians/ lecturers/ workshop and seminars	- External seminars attended - 2 internal seminars done
Enhance availability of professional PSC staff	Recruit more PSC staff			- 5 PSC staff recruited		
Strengthen the retention of competent staff	Establish good terms and conditions as per regulations (after 3 years)			-		
	Establish good job description			-		
	Attractive remuneration and			-		

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Strategic Pillar	Objective	Key Performance	Activities	Achievement
			incentives package and recruitment (on control per annum)	
		Increase staff performance and productivity	Merit based promotions	-
			Conduct staff performance appraisals	-
Pillar 8: Business Enterprise	Generate income to supplement government capitation and tuition fees for college sustainability.	To generate income for the college's sustainability.	Build a college kitchen and Restaurant and provide catering services	Mini unit construction ongoing
			Build a college Cafeteria	-
			Purchase milk from localframers for value addition.	-
			Purchase meat from localframers for value addition	-
			Construct a cow shade	-
			Construct poultry cagesto accommodates 500 birds	-
			Training farmers	-
			Commercialize the carpentry unit	-

7. Corporate Governance Statement

The statement outlines the key aspects of the College's corporate governance framework. Corporate governance is the process by which the College is directed, controlled and held to account. It provides the structure through which the strategic objectives of the College are set, and the means of attaining of them as well as monitoring performance. Corporate Governance dictates the engagement between the College Board of Governors, Management, Regulators and all Stakeholders.

The College in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission and core values for sustainability of the College.

i. The Board Charter.

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The charter was enacted by the board in February 2023 and it clearly states the respective roles, responsibilities and the authorities of the Board and its Committees.

ii. Board Appointment and Composition.

In accordance with the TVET Act, 2013, the Board of Governors consists of nine persons appointed by the Cabinet Secretary for a period for of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of;

- (a) The Chairperson;
- (b) The principal who is the Secretary to the Board of Governors.
- (c) Representative of the Principal Secretary in the Ministry of Education Science and Technology, State Department of TVET
- (d) Representative of the Governor of County Government of Nakuru
- (e) Five other members appointed on the basis of their knowledge and experience in;
 - i. Leadership and Management;
 - ii. Financial Management;
 - iii. Technology;
 - iv. Industry;
 - v. Engineering;
 - vi. Information Communication Technology

Some of the roles of the Board of Governors include:

- (a) Approve the policies of the College
- (b) Employ staff
- (c) Approve the Annual Budget
- (d) Cause the Accounts to be kept and financial statement to be prepared and presented for audit.
- (e) Undertake other functions set out in the TVET Act, 2013.

iii. Board Diversity

The Board members possess a broad range of skills, expertise, experience and knowledge essential to undertake the College's mandate. The College endeavors to and remains compliant with the one third (1/3) gender balance.

iv. Separation of Powers

The Chairman of the Board's responsibilities include the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The College Principal's roles and responsibilities include the day-to-day management of the College's business and overseeing the implementation of strategies, policies approved by the Board.

v. Board's Effectiveness

In order to ensure that the Board members are effective in their contribution to the management of the College, the members undergo regular training to enable them to fulfill their responsibilities. The Board members undergo a comprehensive induction and capacity building program upon their inauguration.

vi. Board Evaluation

The Board has put in place evaluation system to ensure that the Board achieves its objective. The Board evaluation is scheduled to take place in the year 2025/2026.

vii. Sitting Allowances of the Board

The Board members are remunerated for their service in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The remuneration includes sitting allowances per sitting to the Chairman and members. In addition, sitting allowances may be payable when on official duty in and outside the country.

viii. Conflict of Interest

The College conflict of interest policy outlines the circumstances under which a conflict of interest may arise. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the board. A register of interests is maintained and declarations of any conflicts of interests are made at the start of each committee and board meetings.

ix. Committees of the Board:

The College has a total of three committees which are;

- (i) The Audit and Risk Committee
- (ii) Finance and Human Resource Committee
- (iii) Training, Research and Infrastructure Development Committee.

8. Management Discussion and Analysis

SECTION A:

(a) The College's Performance

Revenue

The College's sources of funds during the year under review includes;

- (i) Government Grants – Capitation
- (ii) Internally generated funds – Tuition and other related charges
- (iii) Transfers from the Ministry of Gender and Youth affairs for NYS trainees.

During the year, revenue of Ksh.2,418,900 was receivable from the national government as capitation, Ksh.9,198,000 receivable from the Ministry of Gender and Youth Affairs for NYS trainees, Ksh. 21,633,802 from for rendering of services and Kshs 180,953 from other incomes generated internally. The College's total revenue increased by 32%. The variance was attributed to enrolment of National Youth Service (NYS) trainees in the third quarter and increased fees due to changes in the new funding model.

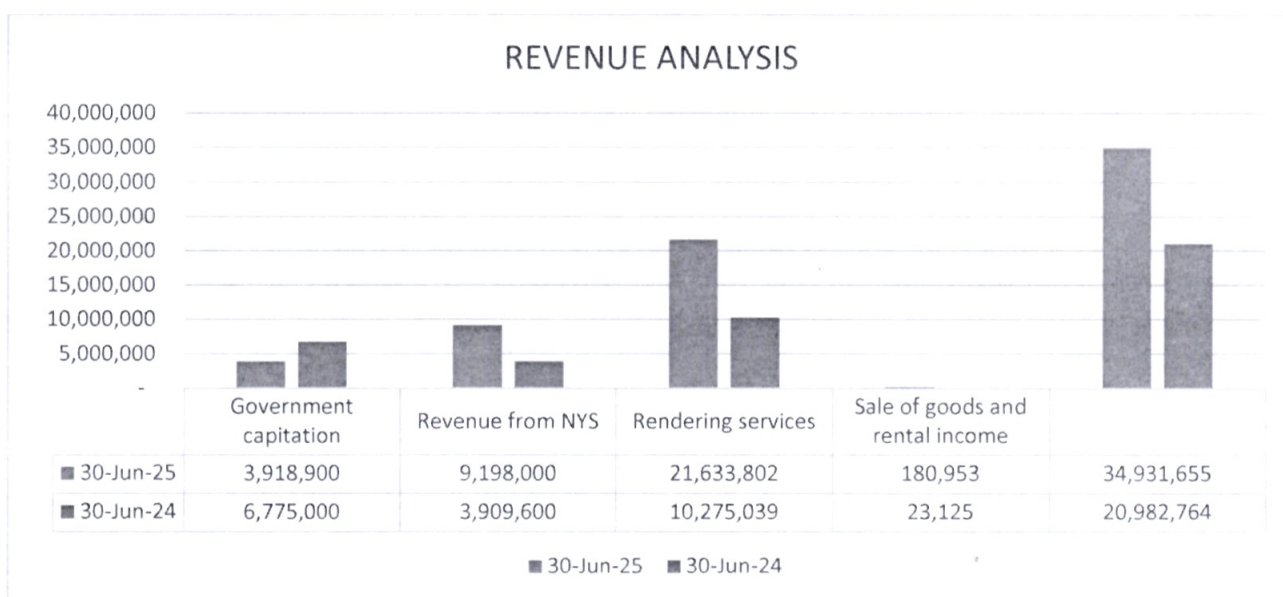


Fig. 1. The College's Comparative Revenue Analysis for the periods ending 30th June 2024 and 30th June 2025.

Expenditure

The college's expenditure comprises of the use of goods and services, employee costs, repairs and maintenance, the board of governor's costs, and general expenses.

The overall expenditure for the period increased by 3% to 24,869,280 from 17,341,671 in the last financial year.

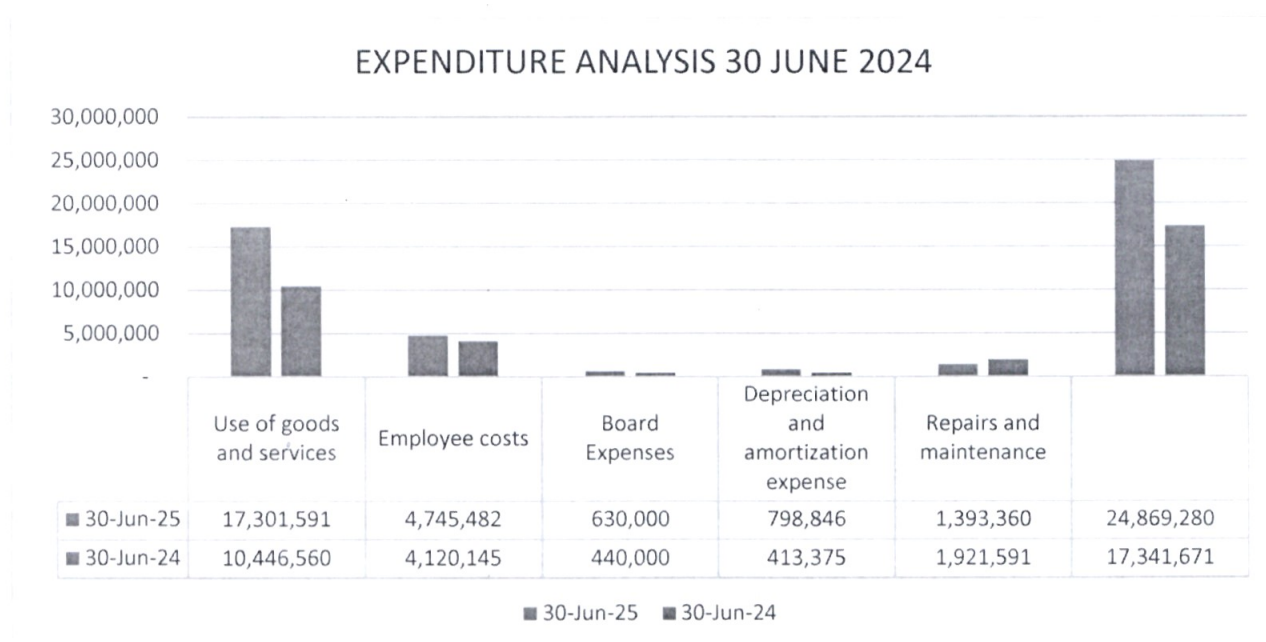


Fig. 2. The College’s Comparative Expenditure Analysis for the periods ending 30th June 2024 and 30th June 2025.

(b) The College’s Compliance with Statutory Requirements

The College complies with statutory requirements and has remitted payroll statutory deductions over the years.

(c) Material Arrears in Statutory/Financial Obligations.

The College does not have any loan default, tax default, outstanding staff and pension obligation/actuarial deficit. The pending bills from suppliers as at the end of the financial year stood at Kshs 1,675,212.

(d) Key Projects and Investment Decisions the College is Planning/Implementing.

During the year under review the College undertook the following projects some of which are works in progress

No.	ONGOING PROJECTS	PROJECTED AMOUNT	SOURCE OF FUNDS
1	Excavation and face lifting as well as levelling of the institutions’ ground.		Surplus realized over the year from GoK funds

Note: The project is 27% complete at an estimate amount of Kshs. 350,000 spent as at 30th June, 2025.

(e) The proposed projects are provided in the table below:

No.	PROPOSED PROJECTS	PROJECTED AMOUNT	SOURCE OF FUNDS
1	Equipping of Library		Surplus realized over the year from GoK funds

(f) Major Challenges and Risks Facing the College

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

The following are the major challenges facing the College.

No.	Challenge	Mitigation
1	Delayed disbursement of capitation funds from the Government	Making formal follow-ups including, writing letters and visiting the Ministry of Education Offices

(g) The Entity's Financial Probity and serious Governance Issues

There are where no financial probity and serious governance issues during the year under review.

9. Environmental and Sustainability Reporting Statement

Kiptaragon Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Environmental performance

Use of softcopy material has been encouraged and thereby reduced on the use of paper. Training sessions are conducted with the use of white boards instead of chalk board thereby reducing dust and related effects.

Employee welfare

The College values her employees and the many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our College through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

Activity	Description
Better training	<ul style="list-style-type: none"> Optimizing training operations to meet ongoing social and sustainability objectives. Providing opportunities for growth as the College by becoming involved in our local community.
Enhanced community	<ul style="list-style-type: none"> Focusing on good urban design and empowered members for healthy, happy and resilient community.
Supported Staff	<ul style="list-style-type: none"> Promoting initiatives that support staff and their families, beyond the provision of employment. Promoting initiatives that recognize the contribution of the students to the community.

Policies Guiding the College’s Hiring Process

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. Financial resources are considered before effecting the strategy

2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	The College observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The college offers equal employment opportunities to officers living with disability. The college also offers rights and privileges as provided in the PWDs Act and Board employment policies

Market place practices- Responsible Supply Chain and Supplier relations

The college has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

Kiptaragon Technical and Vocational College has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g., Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the college has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

Corporate Social Responsibility / Community Engagements

During the year under review, the college carried out various CSR activities to impact the society such as tree planting, road safety awareness and helping the less fortunate in our community.

10. 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 Kiptaragon Technical and vocational college's affairs.

Principal activities

The principal activity of KTVC is to;

- i. Avail training to all qualified Kenyans without discrimination.
- ii. Institute an appropriate mechanism to promote access, equity, quality and relevance in training to ensure adequate human capital for social- economic development.
- iii. Contribute to industrial and technological development of Kenya in collaboration with industry and other organizations through transfer of technology.
- iv. Promote training programs that shall take into account the educational, cultural and social economic background of the people
- v. Provide the technical and professional skills, knowledge, competences and levels of qualifications needed in the various sectors of the economy and in tandem with emerging needs.
- vi. Promote the trends towards integration of information and communication technologies to multiply access and improve training capacity, delivery modes and life- long employability of graduates at the international, national, regional and local level.

Board of Governors

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

Auditors

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

By Order of the Board



.....
Mr. Joseph Kitam
Principal/Secretary to the Board

11. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of the college, which give a true and fair view of the state of affairs of the college at the end of the financial year/period and the operating results of the college for that year. The board members are also required to ensure that the college 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.

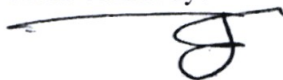
The board members are responsible for the preparation and presentation of Kiptaragon Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Kiptaragon Technical & Vocational College as at the end of the financial year ended on June 30, 2025. This responsibility in Kiptaragon Technical and Vocational College 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 college; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Kiptaragon Technical and Vocational 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 Kiptaragon Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act, 2013. The board members are of the opinion that the Kiptaragon Technical and Vocational College's financial statements give a true and fair view of the state of Kiptaragon Technical & Vocational College's transactions during the financial year ended June 30, 2025, and of the Kiptaragon Technical and Vocational College's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Kiptaragon Technical and Vocational College, which have been relied upon in the preparation of the Kiptaragon Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Kiptaragon TVC financial statements were approved by the Board on 12th December, 2025 and signed on its behalf by:



.....
Name: Eng. Joseph Rop
Chairperson of the Board



.....
Name: Mr. Joseph Kitam
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiptaragon Technical and Vocational College set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiptaragon 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 Financial Reporting Standards/International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Revenues from Rendering of Services

The statement of financial performance reflects rendering of services- fees from students amount of Kshs.21,633,802 as disclosed in Note 10 to the financial statements. However, analysis of the documents revealed that the revenue estimates from rendering of services could not be clearly linked to the number of students due to lack of control ledger schedules. Further, the revenues could not be mapped to financial year as the College maintains its books per academic calendar.

In the circumstances, the existence, occurrence, completeness and accuracy of rendering of services amounting to Kshs.21,633,802 could not confirmed.

1. Unconfirmed Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to financial statements reflects current receivables from exchange transactions balance of Kshs.29,547,260. However, Management did not provide any documentation such as ledger accounts, individual fee statement showing fees areas owed by the students to the College to support the balance.

In the circumstances, the existence, occurrence, completeness and accuracy of the current receivables from exchange transactions balance of Kshs.29,547,200 could not be confirmed.

2. Unsupported Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.2,241,200. However, Management did not provide a list of students sponsored by National Youth Service, their fees areas and general ledger control showing their fees movement schedule.

In the circumstances, the existence, occurrence, completeness and accuracy of the receivables form non-exchange balance of Kshs.2,241,200 could not be confirmed.

4. Inaccuracies in Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.4,745,482 as disclosed in Note 12 to the financial statements. However, analysis of the ledger schedules and payment vouchers revealed that the College spent an amount of Kshs.4,805,186 resulting in an unexplained variance of Kshs.59,704.

In the circumstances, completeness and accuracy of the employee costs amounting to Kshs.4,745,482 could not be confirmed.

5. Unsupported Repairs and Maintenance

The statement of financial performance reflects repairs and maintenance amount of Kshs.1,393,360 as disclosed in Note 15 to financial statements. However, the ledger schedules and vouchers presented for audit review revealed an amount of Kshs.1,660,730 resulting in an unexplained variance of Kshs.267,370. Further, an amount of Kshs.313,950 was not supported by use of procurement documents such as requisition form and list of prequalified suppliers.

In the circumstances, the existence, occurrence, completeness and accuracy of repairs and maintenance amounting to Kshs.1,393,360 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amount on comparable amount of Kshs.39,059,584 and Kshs.27,224,436 respectively resulting in under-funding of Kshs.11,835,148 or 30% of the budget.

In the circumstances, the under-funding affected the planned activities and may have adversely affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in 2024/2025 revealed that the following ten (10) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unsupported Use of Goods and Services Expenditure
3	2023/2024	Lack of Fixed Assets Register
4	2023/2024	Non-Compliance with the Government Financial Year
5	2023/2024	Non-Compliance with the Law on Ethnic Composition
6	2023/2024	Failure to Carry Out Board of Survey
7	2023/2024	Lack of Internal Audit Function and Audit Committee
8	2023/2024	Lack of Risk Management Policy
9	2023/2024	Lack of Human Resource Policy
10	2023/2024	Lack of Approved Information and Communication Technology Policy

Other Information

The Management are responsible for the Other Information set out on page iii to xxviii which comprise of Key Entity Information and Management, Board of Governance, 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 Governance and Statement of Board of Governance 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 effects of the matter 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

Non-Compliance with the Law on Staff Ethnic Composition

Review of staff establishment records revealed that the College had twenty-seven (27) Board of Governors (BOG) staff, out of whom twenty-five (25) or 93% of the employees were from the same ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Commission Act, 2008, which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, the Management is therefore 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 Risk Management Policy

The College does not have a Risk Management Policy to guide management in risk evaluation and decision making as stipulated in Regulation 165(1) of the Public Financial Management (National Governments) Regulations, 2015 stipulates that the Accounting

Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism, and the County Government entity develops a system of risk management and internal control that builds robust business operations.

The College might be unable to mitigate financial and none financial risks such as health hazards due to lack of risk management policy and risk register.

2. Non-Compliance with Human Resource Management Practices

Review of records revealed that the College did not have an approved salary structure, career progression manual, approved staff establishment for Board of Governors' terms and conditions of service which provide for employee welfare and other staff benefits. Further, the College does not have a Career Progression Policy as it awards short employment contract as low as six (6) months which does not promote career growth and stability among staff. Further, the College has failed to comply with salary and remuneration commission basic salary ratings in which some of the staff are paid as a low salary as Kshs.9,000.

In the circumstances, Management may not be in a position to identify whether the College is operating with the optimal number of staff to ensure effective service delivery to the public.

3. Lack of Audit Committee and Internal Audit Unit Function

During the year under review, the College had not established internal audit function and an audit committee of the Board. Further, there was no evidence of an internal audit review by the County internal audit department. this was contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 and Regulation 174(1) of the Public Finance Management (National Government), 2015.

In the circumstances, the effectiveness of the internal controls, risk management and governance 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Those charged with Governance 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

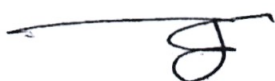
09 December, 2025

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

Description	Notes	Period ended 30 June 2025	Period ended 30 June 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,918,900	6,775,000
Transfers from National Youth Services	7	9,198,000	3,909,600
		13,116,900	10,684,600
Revenue from Exchange transactions			
Rendering of services- fees from students	10	21,633,802	10,275,039
Sale of goods	8	174,953	23,125
Rental Income	9	6,000	-
Revenue from Exchange transactions		21,814,755	10,298,164
Total Revenue		34,931,655	20,982,764
Expenses			
Use of goods and services	11	17,301,591	10,017,550
Employee costs	12	4,745,482	4,120,145
Board Expenses	13	630,000	328,000
Depreciation and amortization expense	14	798,846	413,375
Repairs and maintenance	15	1,393,360	1,921,591
Total Expenses		24,869,280	16,800,661
Net surplus for the year		10,062,375	4,182,103

(The notes set out on pages 6 to 25 form an integral part of the Annual Financial Statements.)

The Financial Statements set out on pages 1 to 5 were signed by:





Chairman of Board

Principal

Finance Officer
ICPAK NO

Date: 12th December, 2025

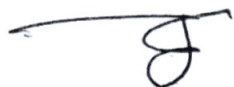
Date: 12th December, 2025

Date: 12th December, 2025

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

Description	Notes	As at 30 June 2025	30 June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	402,964	44,883
Current portion of receivables from exchange transactions	17	29,547,260	20,581,550
Receivables from non-exchange transactions	18	2,241,200	3,909,600
Total Current Assets		32,191,424	24,536,033
Non-Current Assets			
Property, plant, and equipment	19	3,257,349	5,350,374
Intangible assets	20	1,480,000	-
Biological Assets	21	150,000	-
Total Non-Current Assets		4,887,349	5,350,375
Total Assets (A)		37,078,773	29,886,507
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	22	2,275,212	7,359,787
Refundable deposits from customers	23	391,000	391,000
Payments received in advance	24	2,913,425	-
Total Current Liabilities		5,579,637	7,750,787
Total Liabilities (B)		5,579,637	7,750,787
Net Assets (A-B)		31,499,136	21,436,761
Represented By:			
Accumulated Surplus		31,499,136	21,977,771
Capital Fund		-	-
Net Assets		31,499,136	21,977,771

The Financial Statements set out on pages 1 to 5 were signed by:



.....
Chairman of Board

Date: 12th December, 2025



.....
Principal

Date: 12th December, 2025



.....
Finance Officer

ICPAK No.

Date: 12th December, 2025

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

Description	Accumulated Surplus	Capital Fund	Total
	Kshs	Kshs	Kshs
At July 1, 2023	17,795,668	-	17,795,668
Surplus/(deficit) for the year	4,182,103	-	3,641,093
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2024	21,977,771	-	21,977,771

At July 1, 2024	21,436,761	-	21,436,761
Surplus/(deficit) for the year	10,062,375	-	10,062,375
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2025	31,499,136	-	31,499,136

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

16. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	Period ended 30 June 2025	Period ended 30 June 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,918,900	6,775,000
Transfers from other levels of government	7	10,866,400	3,909,60
Sale of goods	8	174,953	23,125
Rendering of services- fees from students	9	12,258,183	7,238,052
Rental revenue from facilities and equipment		6,000	-
Miscellaneous income		-	-
Total Receipts		27,224,436	14,036,177
Payments			
Use of goods and services	10	19,069,383	8,875,380
Employee costs	11	4,745,482	4,120,145
Board Expenses	12	734,000	336,000
Repairs and maintenance	13	1,345,780	1,534,411
Total Payments		25,894,645	14,865,936
Net Cash Flows from operating activities		1,329,791	(829,760)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(985,120)	(2,094,085)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(985,120)	(2,094,085)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		515,930	(2,015,104)
Cash and Cash equivalents at 1 JULY	16	(112,966)	1,902,138
Cash and Cash equivalents at 30 JUNE	16	402,964	(112,966)

17. 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	Explanations
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from other National Government entities	17,715,200	-	17,715,200	14,785,300	2,929,900	83%	(a)
Rendering of services- fees from students	21,344,384	-	21,344,384	12,439,136	8,905,248	58%	(b)
Total Income	39,059,584		39,059,584	27,224,436	11,835,148		
Expenses							
Use of goods and services	24,334,060	-	24,334,060	19,069,383	5,264,677	78%	(c)
Employee costs	6,574,899	-	6,574,899	4,745,482	1,829,417	72%	(d)
Board Expenses	1,464,000	-	1,464,000	734,000	730,000	50%	(e)
Repairs and maintenance	3,280,935	-	3,280,935	1,345,780	1,935,155	41%	(f)
Total Expenditure	35,653,894	-	35,653,894	25,894,645	9,759,249		
Capital Expenditure	3,391,690	-	3,391,690	985,120			
Surplus For the Period	0	-	0	344,671			(g)

(Budget notes)

(a) The variance was due to decreased disbursement of capitation by the government.

(b) The fees collected from students resulted to a variance of 23% due to low enrolment and also some trainees could not complete their fees on time.

(c) The result was due to austerity measures occasioned by cash flow challenges caused by late disbursement from the government.

(d) The result of decrease in the use of goods was as a result of austerity measures occasioned by cash flow challenges caused by late disbursement from the government.

KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

(e) There was reduced number of board meetings due to limited resources.

(f) The increase in utilization was as result of increased activities like face lifting and beatification

(g) The variance was due to cash flow challenges occasioned by late disbursement of funds from the government and also reduced fees collected from the students.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	344,671
Cash and cash equivalents (30.06.2024)	58,293
Closing Cash and Cash Equivalent as per the statement of Cash flows	402,964

18. Notes to the Financial Statements

1. General Information

Kiptaragon is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

There are no new standards in the year ended 30th June 2025

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an 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	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The standard will affect the value of land other infrastructure assets which are yet to be valued.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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> 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.
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iii. Early adoption of standards

The College did not early adopt any new or amended standards in year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 28th June 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.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 1 of the Income Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) 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 College.

k) Provisions

Provisions are recognized when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The College does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The College does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

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

m) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

The College regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members

of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

s) Service concession arrangements

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

t) 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.

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

Description	Year ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Capitation Grants	1,918,900	4,775,000
Operational Grants	2,000,000	2,000,000
Total Transfers from Non-Exchange Transactions	3,918,900	6,775,000

This relates to capitation received for trainees in the College in the year under review. The College received Kshs 13,000

(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	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	3,918,900	-	-	3,918,900	6,775,000
Total	3,918,900	-	-	3,918,900	6,775,000

7. Transfers from Other Levels of Government

Description	Year ended 30 June 2025	Period ended 30 June 2024
		Kshs
National youth Service	9,198,000	3,909,600
Total donations from development partner	9,198,000	3,909,600

This relates to revenue for NYS trainees for the financial year 2024-2025

8. Sale of goods

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Sale of farm Produce	174,953	23,125
Total Revenue from Sale of Goods	174,953	23,125

9. Rental Income

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Accommodation income	6,000	-
Total Renta Income	6,000	-

10. Rendering of Services

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Tuition	11,252,773	4,457,724
Personnel Emoluments	4,338,360	2,251,249
Electricity, Water and Conservancy	1,236,841	506,834
Local travel and transport	1,313,420	603,834
RMI	1,206,884	370,766
Activity fee	984,101	631,281
Medical	467,667	-
Industrial attachment	246,917	529,533
Registration fees	27,500	-
Student ID	27,500	-
TVETA Fee	27,500	-
Examination fees	-	923,820
Administration fee	449,338	-
Development fee	55,000	-
Total Revenue from The Rendering of Services	21,633,802	10,275,041

This relates to fees receivable from active trainees in the year under review. The trainees are under the old funding model and new funding model. Under the old funding model, the College expected Kshs 26,420 and under new funding model Kshs 67,189. The fees under new funding model includes government sponsorship.

11. Use of Goods and Services

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Teaching and learning materials	2,726,524	492,555
Printing and stationery	1,269,253	899,362
Travel and accommodation	1,954,470	2,074,700
Postage Telephone and internet expenses	369,689	246,850
Student activities	403,930	324,418
Catering, conferences and delegations	2,028,835	1,128,565
Electricity water and conservancy	403,368	466,727
Training and development	622,300	7,000
Examination expenses	3,962,551	2,019,345
General administration expenses	2,796,387	1,470,897
Marketing	415,400	92,350
Farm expenses	134,693	249,260
General cleaning	68,456	43,830
KATTI	145,735	501,691
Total good and services	17,301,591.40	10,017,550

12. Employee Costs

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Salaries and wages	4,189,914	3,605,921
Employee related deductions	555,568	514,224
Employee Costs	4,745,482	4,120,145

13. Board Expenses

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Board Expenses and expenses	630,000	440,000
Total	630,000	440,000

14. Depreciation and amortization

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Property, plant and equipment	428,846	413,375
Intangible assets	370,000	-
Total depreciation and amortization	798,846	413,375

15. Repairs and Maintenance

Description	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Repairs maintenance and improvements	1,393,360.00	1,921,591
Total Repairs and Maintenance	1,393,360.00	1,921,591

16. Cash and Cash Equivalents

Description		30 June 2024
		Kshs
Current Account	402,964	24,883.00
Cash at hand	-	33,410
Total Cash and Cash Equivalents	402,964	58,293

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

Financial Institution	30 June 2025	30 June 2024
	Kshs	Kshs
a) Current Account		
Operational Account- Access Bank	378,825	17,731
Main Account-National Bank	24,139	7,152
KCB Account	-	
Sub- Total	402,964	24,883
b) Others		
Cash in Transit		
Cash in Hand	-	33,410
Mobile Money account	-	-
Sub- Total	-	33,410
Grand Total	402,964	33,410

17. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	29,547,260	19,869,280
Less: Impairment Allowance	-	-
Total Current Receivables	29,547,260	19,869,280

(b) Aging Analysis of Receivables from Exchange transactions

Description	30 June 2025		30 June 2024	
	Kshs	% of total	Kshs	% of total
	30 June 2025	% of total	30 June 2024	30 June 2024
Less than 1 year	8,965,710	30 %	-	%
Between 1- 2 years	6,775,853	23 %	-	%
Between 2-3 years	4,255,126	14 %	-	%
Over 3 years	9,550,571	33 %	-	%
Total (a+b)	29,547,260	100 %	19,869,280	%

18. Receivables from non-Exchange transactions

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Current Receivables		
NYS Receivables	2,241,200	3,909,600
Less: Impairment Allowance	-	-
Total Current Receivables	2,241,200	3,909,600

Relates to income earned but receivable from National Youth Services

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

Description	30 June 2025		30 June 2024	
	Kshs		Kshs	
	30 June 2025	% of total	30 June 2024	30 June 2024
Less than 1 year	2,241,200	100 %	-	%
Between 1- 2 years	-	%	3,909,600	100 %
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	2,241,200	100 %	3,909,600	%

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

19. Property, Plant and Equipment

Cost	Furniture and fittings	Computers	Plant and equipment	Capital Works in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	12.5%	33.3%	12.5%		
At 30th July 2024	510,850	1,921,600	271,500	3,835,351	6,539,301
Additions	-	275,320	60,500	-	335,820
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	(1,850,000)	(1,850,000)
At 30th June 2025	510,850	2,196,920	332,000	1,985,351	5,025,121
Depreciation And Impairment					
At 1 July 2024	105,442	1,157,301	76,183	-	1,338,926
Depreciation	50,676	346,193	31,977	-	428,846
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th Jun 2025	156,118	1,503,494	108,160	-	1,767,772
Net Book Values					
At 30th Jun 2024	405,408	764,299	195,317	3,835,351	5,200,375
At 30th Jun 2025	354,732	693,426	223,840	1,985,351	3,257,349

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

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were to be identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets are yet to be valued.

18 (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
Plant And Machinery	332,000	108,160	223,840
Computers and Related Equipment	2,196,920	1,503,494	693,426
Office Equipment, Furniture, And Fittings	510,850	156,118	354,732
Total	3,039,770	1,767,772	1,271,998

20. Intangible Assets

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	1,850,000	-
At end of the year	1,850,000	-
Additions—internal development	-	-
At end of the year	1,850,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	370,000	-
At end of the year	370,000	-
Impairment loss	-	-
At end of the year	-	-
NBV	1,480,000	-

21. Biological Assets

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Cattle	150,000	150,000
Total	150,000	150,000

22. Trade and other payables

Description	30-Jun-25		30-Jun-24	
	Kshs		Kshs	
Trade payables	1,675,212		4,148,724	
Other Payables	600,000		600,000	
Total Trade and Other Payables	2,275,212		4,748,724	
Ageing analysis:	30-Jun-25	% of the Total	30-Jun-24	% of the Total
Under one year	1,675,212	74%	4,148,724	87%
1-2 years				
2-3 years				
Over 3 years	600,000	26%	600,000	13%
Total	0	100%	0	100%

23. Refundable Deposits from Students

Description	30-Jun-25		30-Jun-24	
	Kshs		Kshs	
Trade payables	391,000		391,000	
Total Trade and Other Payables	391,000		391,000	
Ageing analysis:	30-Jun-25	% of the Total	30-Jun-24	% of the Total
Under one year	-	%	-	-
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	100%	-	100%
Total	0	100%	0	100%

24. Advance payments

Description	30-Jun-25		30-Jun-24	
	Kshs		Kshs	
Advance payments	2,913,425		2,611,063	
Total Advance payments	2,913,425		2,611,063	
Ageing analysis:	30-Jun-25	% of the Total	30-Jun-24	% of the Total
Under one year	722,144	25 %	-	xxx
1-2 years	1,047,133	36 %	-	xxx
2-3 years	694,522	24 %	-	xxx
Over 3 years	449,626	15 %	-	100%

25. Employee Benefit Obligations

The College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1080 per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

26. Cash generated from operations.

	Period ended 30 June 2025	Period ended 30 June 2024
	Kshs	Kshs
Surplus for the year	10,062,375	3,641,093
Adjusted for:		
Depreciation	798,846	413,375
Working Capital Adjustments		
Increase in Receivables	(7,360,280)	4,727,337
Increase in Payables	(2,473,512)	460,174
Increase in Payments received in advance	302,362	(1,787,145)
Net Cash Flow from Operating Activities	1,329,791	7,454,834

27. 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:

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.

(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

28. Related Party Balances

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) Management team;
- iv) Board of directors;

29. Events After the Reporting Period

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

30. Ultimate and Holding Entity

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

31. Currency

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

19. 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)

Guidance Notes:

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

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date

Appendix II: Projects Implemented by (The Entity)

Projects

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June,2025				
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)
FT24031XFZVF	14/10/2024		774,900	774,900
FT24151G18WV	14/02/2025		1,144,000	1,144,000
FT23271NMZP6	12/07/2024	500,000		500,000
FT24018GK38R	1/10/2024	500,000		500,000
FT24031DZGCF	1/10/2025	500,000		500,000
BULK241949VVVF	4/06/2025	500,000		500,000
Total		2,000,000	1,918,900	3,918,900

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name ABEL K. NWEJIA Sign [Signature] Date..... 12/12/2025

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q 1	Q 2	Q 3	Q 4	

Appendix V: Reporting on Disaster Management Expenditure

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