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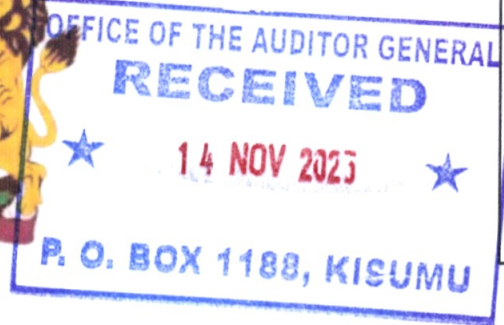
REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY: OF	LEADER OF MAJORITY PARTY Hon. OWEN BATA, MP
CLERK-AT THE-TABLE:	J. KEMERELLE

THE AUDITOR-GENERAL

ON

**SABATIA TECHNICAL AND VOCATIONAL
COLLEGE**

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



**SABATIA 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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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical and Vocational College
TVET	Technical Vocational Education and Training
FY	Financial Year

B. Definition of Key Terms

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

Comparative Year- Means the prior period

Accounting documents: The physical object upon which transactions are made; or records evidencing the transaction. These include cheque books, receipt books, invoices, payment vouchers and bank statements.

Asset: A resource with economic value owned or controlled by the business and from which future economic benefits are expected.

Board: The College Board of Governors

Expenditure: The outflow of economic benefits arising in the course of ordinary activities.

Fixed assets: Tangible assets acquired with the intention of use on a continuous basis for a period beyond 1 year.

Financial Statements: A collection of financial reports that show an organization's financial performance and condition. A complete set of Financial Statements contains a Statement of Financial Position, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash flows and Notes thereto.

International Public Sector Accounting Standards: Principles of Accounting adopted by The Institute of Certified Public Accountants of Kenya.

Accounting Policy: Specific principles, bases, conventions, rules and practices applied by the Institute in preparing and presenting financial statements.

An accrual concept: A method of recording revenue when earned and expenditure when incurred regardless of whether money is received or paid.

Budget: An estimate of revenue and expenditure for a specific period and time.

Financial report: A tool used to communicate financial information.

Fiscal framework: Set of rules on how to manage public finances.

Fiscal policy: Use of government revenue collection and expenditure to influence a country's economy.

Internal control: Mechanisms, rules and procedures implemented to ensure integrity of financial and accounting information.

Liability: Future sacrifices of economic benefits that the Institute is obliged to make to other entities as a result of past transactions or other past events.

Revenue from exchange transactions: A transaction in which the Institute receives assets or services, or has liability extinguished and directly gives approximately equal value to the other party in exchange.

Revenue from Non-exchange transaction: Where the Institute receives value from another entity without directly giving approximately equal value in exchange.

Cash flow: A financial statement that shows planned inflow and outflow of resources over a period covering the financial year in line with activity level.

Depreciation: A systematic allocation of depreciable amount of asset over its useful life.

Equity: The residual interest in the assets of the enterprise after deducting all its liabilities.

2. Key Entity Information and Management

(a) Background information

Sabatia Technical and Vocational College is a public TVET institution registered under the TVET Act of 2013. The College is domiciled in Kenya and currently does not operate any other outside campus. The college operates under the ambit of the Ministry of Education, State Department for Technical Vocational Education and Training. It is born out of the Governments initiative to construct at least one TVET College in every constituency. Its mandate and operational legal framework is derived from the TVET Act of 2013. The college's mandate includes provision of Technical and Vocational Education and Training leading to awards below the level of a degree. The college had a total on campus enrolment of ksh. 36,051,700 trainees as at 30th June 2025. The College currently operates under five main departments namely, Liberal and Business Studies, Engineering, Computing and Informatics, Applied Sciences and Hospitality and Institutional Management. The college stands on a five (5) acre piece of land. The process of transferring title is ongoing. It's located in Sabatia Constituency, Sabatia Sub-county of Vihiga County. The institution was constructed on land annexed from Lotego Primary School and Lotego Vocational Training Center. The institution is equipped with state-of-the-art training equipment for Electrical and Electronics Engineering. In addition, the college was also earmarked as a centre of excellence in training of Computing and Informatics courses. The Institution has partnered with the local community to ensure students get meals and are accommodated in decent hostels

(b) Principal Activities

The principal activity/mission of the college is to provide high quality Technical Vocational Education and Training, research and innovation in partnership with industry and other stakeholders in order to produce globally competitive graduates. The college envisions to be the best in the western region and eventually in the country.

(c) Key Management

Sabatia Technical and Vocational College management is under the following key organs:

- **Board of Governors**

The main role of the Board is to provide policy direction and oversight over management. To effectively discharge its mandate, the Board has formed three committees which are;

- Finance, Infrastructure and Development
- HR, Education and Research
- Audit, Risk Management and Compliance

Key Entity Information and Management (Continued)

• **Accounting Officer/Principal**

The Principal is responsible for the day to day management of the college operations. He is assisted by the following senior management staff

- i. Deputy Principal administration
- ii. Deputy Principal Academics
- iii. Registrar
- iv. Dean of students
- v. Heads of Departments

(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	Grace ApondiTiti
2.	Deputy principal Administration	Alloice Onyango
3	Deputy principal Academics	Kennedy Makori
4	Registrar (Ag)	Philip Jumba
5	Dean of students (Ag)	Makokha Jamilah Mallo
6	Head of Finance (Ag)	CPA Hesborn Ehaji
7	Accountant	Millford Afandi
8	Procurement Officer	Joan Aluvisia

(e) Fiduciary Oversight Arrangements

This involves the responsibility of ensuring that the College's financial and operational resources are managed ethically, transparently, and in accordance with legal standards. This includes oversight of finances, strategic decisions, and compliance with regulations.

In its oversight responsibilities, the board has constituted three board committees which are charged with the duty of over sighting specific activities. These are as follows:

Key Entity Information and Management (Continued)

i. The Audit, Risk Management and compliance Committee

This committee is charged with the responsibility of over sighting the following key activities;

Audit function – Development and review of the internal audit policy, internal audit planning and execution, reviewing internal audit reports and action plans and Implementation of internal audit reports and external audit recommendations.

Risk Management – Development and review of Risk Management Policy and plans, implementation of risk management plans.

Compliance – Considering compliance audit reports and plans, ensuring compliance to all relevant laws and regulations, corporate social responsibility programs

ii. The Finance, Infrastructure and Development Committee

This committee is charged with the responsibility of over sighting the following key activities;

Planning and Budgeting – overseeing project planning and budget making processes

Implementation – Overseeing the implementation of projects and the budget

Strategic Planning – Overseeing the development, review and implementation of the strategic planning process.

Financial management – overseeing the general management of finances to ensure their prudent use. In particular, considering and approving financial proposals, Quarterly reports, annual financial statements and other financial reports.

iii. The Human Resource, Education and Research Committee

This committee is charged with the responsibility of over sighting the following key activities;

Human Resource Management – Development and review of policy documents, staff recruitment process, staff welfare, staff training and development and staff discipline

Education – Development and review of policy documents, implementation of training programmes, implementation of the curricula, evaluation of trainee progress, trainee enrolment, welfare and discipline

Research – Development and review of the Research Policy, planning and implementation of research activities.

(f) Entity Headquarters

Sabatia Technical and Vocational College
P.O Box, 29-50311 Wodanga, Kenya.
Off-Kapsabet/Chavakali Road
Sabatia Constituency, Vihiga County.

(g) Entity Contacts

Telephone :+254 702666802
E-mail : sabatiatevc@gmail.com
Website : www.sabatiatevc.ac.ke

(h) Entity Bankers

Absa Bank, Kenya, Kakamega Branch
KCB Bank, Mbale Branch
M-PesaPaybill

(i) Independent Auditors

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

(j) Principal Legal Adviser

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




3. Board of Governors

S.NO	NAME	Brief Profile
1	 Arch. Alfred M. Lulu- Board Chairman	<p>Arch. Alfred M. Lulu was appointed as the Chairperson of the Board on 28th February 2025. He holds a Master of Architecture (M. Arch), University of Nairobi and a Bachelor of Arts BA (Architectural Studies), University of Nairobi. He is a registered member of The Architectural Association of Kenya, MAAK(A).</p> <p>Has attended various management training workshops at Kenya Institute of Administration and Irish Management Institute, Dublin, Ireland</p> <p>Has worked with Ministry of public works and National Irrigation Board, Kenya.</p> <p>He is a partner, Lulu Associates Consulting Architects.</p>
2	 Mr. Joseph Sunguti County Director of TVET	<p>Mr. Joseph Sunguti in his capacity as the County Director TVET (Kakamega and Vihiga Counties) represents the PS on the Board.</p> <p>He holds a Master of Education degree (Distance Learning) of UoN. Bachelor of Education degree of UoN (Business & Geography)</p> <p>Completed a Certificate in Strategic Leadership Development Program.</p> <p>Has vast experience as a Teacher Trainer and also as a Technical Trainer. He is a Curriculum Developer and Policy implementer</p>
3	 Mr. Samuel Menyanya Board Member	<p>Mr. Samuel Menyanya was appointed to the Board on 28th February 2025.</p> <p>Holds a Bachelor of science in Horticulture from JKUAT. Has an Advanced Certificate in Agricultural Project Management from Kothari Agricultural Management Centre (India). He is currently the factory Unit Manager (KTDA). He has previously worked as a field service manager (KTDA), Production Assistant (KTDA), Assistant Estate Manager (Eastern Produce (K) LTD).</p>

<p>4</p>	 <p>Mr. Michael Musuya Board Member</p>	<p>Mr. Michael Musuya was appointed to the Board on 28th February 2025</p> <p>Holds a management degree from Egerton University, high National Diploma in Electronics Electronics Engineering. Currently pursuing a master’s degree in Industrial Engineering Systems. Mr. Michael has done Senior Management Course and Strategic Leadership Development program from Kenya School of Government. Retired Senior Principal Friends National Polytechnic Kaimosi</p>
<p>5</p>	 <p>Mr Joseph Nyotumba Board Member</p>	<p>Mr. Joseph Nyotumba was appointed to the Board on 28th February 2025. He holds a Bachelor’s Degree in Education (Science) from Kenyatta University. Mr. Nyotumba brings with him 27 years of extensive experience in educational leadership and administrative management, having served as Senior Principal in various secondary schools across the country.</p>
<p>6</p>	 <p>Mr. Joseph Shiroko Board Member</p>	<p>Mr. Joseph Shiroko was appointed to the Board on 28th February 2025. He holds a Master’s Degree in Business Administration (Management Science) and a Bachelor of Commerce (Accounting), both from the University of Nairobi</p> <p>Mr. Shiroko brings a wealth of expertise from his diverse and extensive career, which spans the banking sector, financial management, and Disability and Inclusion within the NGO world. He is a seasoned professional in financial matters, with a strong commitment to inclusive development and institutional accountability.</p>

<p>7</p>	 <p>Ms Belinda Oketch Board Member</p>	<p>Ms. Belinda Oketch was appointed to the Board on 28th February 2025 She holds a B.Sc. Environment & Bio Systems Engineering, Solar T3 Certification. Belinda is a seasoned renewable energy professional She is a Yale Emerging Climate Leader fellow and an EPRA certified Solar T3 and Energy Management practitioner from Strathmore University</p>
<p>8</p>	 <p>Ms. Milka Obonyo Orare Board Member</p>	<p>Ms. Milka Obonyo Orare was appointed to the Board on 28th February 2025 She holds a Bachelor of Commerce, Operations Management (second-class upper division) from The University of Nairobi She has worked as a finance Officer at Getting united for you advocacy (GUYA).</p>
<p>9</p>	 <p>Grace Apondi Titi Principal Secretary BOG</p>	<p>Grace is a Long-serving and experienced TVET Trainer. She holds a Master of Arts in Design (Maseno University), a Bachelor of Science in Clothing, Textile and Interior Design (Egerton University), Senior Management Course (Kenya School of Government) and a Diploma in Technical Education (Kenya Technical Trainers College). A Certified Master Craft trainer for Industry, a National Examiner with the National Industrial Training Authority and a Board member of the African Foundation for Quality E-Learning in TVET. Grace is also a member of the National Technical committee implementing Open Distance Education Learning in Kenyan TVET Institutions. In addition, she is the Chairperson of the same committee at the Regional level. She is a global TVET leader and 2019 Alumni of the UNESCO-UNEVOC TVET Leadership Programme, Bonn, Germany. She was Posted to Sabatia Technical and Vocational College Principal in March 2024.</p>

4. Key Management Team

<p>1</p>	 <p>Ms. Grace Apondi Titi Accounting Officer.</p>	<p>She is in charge of the day-to-day management of the college. She holds a Master of Arts in Design and a Bachelor of Science in Clothing, Textile and Interior Design Senior Management Course (Kenya School of Government)</p>
<p>2.</p>	 <p>Mr Aloice Ouma Onyango Deputy Principal -Administration</p>	<p>Deputizes the Principal. In charge of staff discipline and overseeing general administration. An associate member of Kenya of Institute of Management (KIM) Member No. 087 MBA (Project Management)) Senior Management Course, Essential Counselling Skills Program (KSG).</p>
<p>3</p>	 <p>Mr Kennedy Omboto Makori Deputy Principal-Academics</p>	<p>Deputizes the Principal. In charge of curriculum implementation, trainee discipline and Library management Holds Bachelor of Science in Electrical and Electronic Engineering and a Higher diploma in technical education</p>

<p>4.</p>	 <p>Mr. Philip Jumba Registrar (Ag)</p>	<p>In charge of trainee admissions, marketing, trainee records, assessments and library management</p> <p>Holds a B.Sc. in Computer Science</p>
<p>5.</p>	 <p>Ms. Makokha Jamilah Mallo Dean of Students(Ag)</p>	<p>In charge of trainee welfare, Guidance and Counselling, accommodation, clubs and societies, sports and trainee governance.</p> <p>Holds Bachelor of Education (Technology Education-Electrical and Electronics Engineering).</p>
<p>6.</p>	 <p>CPA Hesborn Ehaji (ICPAK No. 11369) Finance Officer (Ag)</p>	<p>In Charge of the Finance function</p> <p>Holds an MBA from Maseno University and a BCOM from Catholic University</p>

5. Chairman's Statement



Arch. Alfred M. Lulu
Board Chairman

Dear Stakeholders,

It is my privilege to present to you the Chairman's Report for the financial year ended 30th June, 2025. The year under review has been both exciting and challenging, marked by significant developments that have positioned our institution for continued success and growth.

Financial Performance and Revenue Mobilization

The financial year 2024/2025 saw remarkable progress in revenue mobilization, a key area of focus for the institution. Through enhanced financial strategies, partnerships, we achieved notable improvements in our financial standing. The total revenue grew substantially, allowing us to meet operational needs, invest in infrastructure, and support academic programs. We were able to strengthen our financial sustainability, ensuring that the institution continues to thrive despite external economic pressures.

Increased Enrolment

One of the major highlights of the year was the significant increase in student enrolment. At the beginning of the year, our student population stood at 1,878 and we are proud to report that we saw a significant rise in this number to 2,460 which has had a positive impact on both our financial health and academic programs. The increase in enrolment reflects the growing demand for quality technical and vocational education, which our institution is well-positioned to provide.

This enrolment growth is a testament to the institution's growing reputation and the effectiveness of our student recruitment strategies. The expansion has also brought new challenges, particularly in terms of managing resources and maintaining high standards of education. However, the institution is committed to ensuring that every student receives the support and quality training they need to excel in their chosen fields.

Infrastructure Development and Upgrades

To accommodate the growing student population, we have embarked on a series of infrastructure development projects. Key developments include the expansion of classrooms, and workshops, which are essential for our technical and vocational programs.

Our investment in modern learning facilities is designed to enhance the learning experience and ensure that our students have access to state-of-the-art tools and resources. This infrastructure upgrade also aligns with our broader strategic goal of becoming a leading center of excellence in technical and vocational training.

Challenges Faced

While the year has been filled with exciting achievements, we also encountered several challenges:

- i. **Resource Constraints:** With the rapid increase in enrolment, we faced pressures related to space, teaching staff, and learning materials. This required careful resource allocation and planning to ensure that quality was not compromised.
- ii. **Economic Conditions:** The broader economic environment affected some of our external funding sources and partnerships, requiring us to be more innovative in our revenue-generation efforts.
- iii. **Regulatory and Compliance Adjustments:** Changes in the educational and financial regulations required additional efforts to ensure that we remained compliant with evolving standards, which added to the administrative workload.

Strategic Partnerships and Collaborations


The institution continues to strengthen its strategic partnerships with both local and international stakeholders. These collaborations have been instrumental in supporting our programs, particularly in the areas of student internships, resource mobilization, and curriculum development. Our partnerships with industry players have allowed us to ensure that our training remains relevant to the evolving needs of the job market.

The coming year will no doubt bring new challenges, but I am confident that with the support of our dedicated staff, students, and stakeholders, we will continue to thrive and grow as a leading institution of technical and vocational education.

Conclusion

In conclusion, I would like to express my deepest appreciation to the Board of Governors, the management team, and all the staff for their dedication and hard work throughout this challenging but rewarding year. I would also like to thank our Trainees for their commitment to excellence and their trust in our institution. Lastly, I extend my gratitude to our partners and stakeholders for their unwavering support in making this institution a beacon of quality education and innovation.

Together, we will continue to build on the achievements of this past year and work toward even greater successes in the future.

Signed: 

Arch. Alfred Lulu
Chairman, Board of Governors

6. Report of the Senior Principal



Grace Apondi Titi
Principal/Secretary to The Board

Dear Stakeholders,

I am pleased to present the Principal's Report for the financial year ended 30th June, 2025. This has been a pivotal year for our institution as we made significant strides toward enhancing our operational efficiency, improving academic programs, and laying the groundwork for sustained growth.

Development of Strategic Plan and Policy Documents

One of the key milestones achieved during the year was the successful development and adoption of a Strategic Plan and other critical policy documents that will guide the college's growth and development over the next several years. These documents have been designed to align with our mission, vision, and the evolving needs of the education sector.

The Strategic Plan outlines clear goals and objectives across several areas, including:

- i. Quality and Relevance Training and learning
- ii. Financial and Human Resources
- iii. Research, Innovation and dual training
- iv. Accessibility and Equity in TVET
- v. Environmental Sustainability

These documents will serve as a blueprint for the institution's future, ensuring that we remain focused on our goals while also being responsive to external challenges and opportunities.

Active Oversight and Support from the Board

Throughout the year, the Board of Governors has been highly engaged in providing strategic direction and oversight. Their active involvement has been instrumental in shaping the institution's policies and guiding our management team through key decisions.

The board's commitment to its oversight role has ensured that:

- i. Policy direction is clear and well-communicated to management.
- ii. There is strong support for institutional growth and innovation.
- iii. Financial resources are managed prudently, with a focus on transparency and accountability.

The support from the board has enabled us to navigate challenges effectively while taking advantage of emerging opportunities to enhance our programs and services.

Academic Achievements and Growth

In line with our strategic objectives, this year saw continued growth in our academic programs. We introduced several new courses tailored to meet the demands of the modern workforce and to offer our students relevant and practical skills.

Additionally, we made significant progress in:

- i. **Improving Student Performance:** With enhanced teaching methods, professional development for lecturers, and better access to learning resources, we have seen improvements in academic outcomes across various programs.
- ii. **Expanding Enrollment:** As highlighted in the Chairman's Report, we experienced a notable increase in student enrollment, reflecting the institution's growing reputation and the value of our programs.

Infrastructure Development

In response to the growing student population, we have initiated several infrastructure development projects aimed at expanding our capacity and enhancing the overall learning environment. Some of the major projects include:

- i. Construction of new Tuition rooms and Workshops to accommodate the increasing demand for technical and vocational training.
- ii. Upgrading of ICT facilities to support digital learning and improve access to online resources.
- iii. Purchase of College Van and Bus.

These infrastructure projects are critical to ensuring that our students receive the best possible education and that we can continue to attract top talent to our teaching staff.

Financial Management and Resource Allocation

We have continued to improve our financial management practices, ensuring that resources are allocated efficiently and in line with the priorities outlined in our strategic plan. Some key achievements in financial management include:

- i. Timely preparation of financial reports and the successful completion of both internal and external audits.
- ii. Implementation of cost-saving measures to improve operational efficiency without compromising the quality of education.

- iii. Diversification of revenue streams through partnerships with industry, government funding, and income-generating activities.

Our efforts to maintain financial discipline and transparency have placed the institution on a strong footing for future growth.

Challenges Faced

Despite the many successes we achieved during the year, there were also several challenges that we had to navigate:

- i. **Resource Constraints:** The rapid increase in student enrollment has placed a strain on our resources, particularly in terms of physical space and teaching staff.
- ii. **Economic Conditions:** External economic factors impacted some of our financial resources, requiring us to adopt innovative approaches to revenue generation and cost management.
- iii. **Regulatory Changes:** The changing regulatory environment in the education sector necessitated additional compliance measures, which required significant administrative effort.

While these challenges have tested our resilience, they have also provided valuable lessons and opportunities for growth.

Staff Development and Capacity Building

Our staff remains at the core of the institution's success. To ensure that they are well-equipped to meet the evolving needs of our students and programs, we have prioritized capacity-building initiatives. These include:

- i. Professional development programs for teaching staff, focused on modern pedagogical methods and industry-relevant skills.
- ii. Recruitment of additional staff to support the growing student population and expanding academic offerings.

By investing in our staff, we are building a strong foundation for academic excellence and institutional growth.

Student Welfare and Support Services

We recognize that the welfare and success of our Trainees are central to our mission. This year, we continued to enhance our student support services, including:

- i. Career guidance and counseling services to help students navigate their academic and career paths.
- ii. Scholarships and bursaries for deserving students to ensure that financial constraints do not hinder their access to quality education.
- iii. Student mentorship programs, where industry professionals provide guidance and practical insights to help students succeed in their chosen fields.

These initiatives have helped us create a supportive and inclusive learning environment where all students can thrive.

Looking Ahead

As we move into the next financial year, we are committed to:

- i. Continuing the implementation of our strategic plan, with a focus on academic excellence, infrastructure development, and financial sustainability.
- ii. Expanding our academic programs to meet the growing demand for skilled professionals in key sectors.
- iii. Strengthening partnerships with industry and government to enhance our students' learning experiences and improve their employment prospects.

We remain focused on positioning our institution as a leader in technical and vocational education, both locally and regionally.

Conclusion

In conclusion, I would like to extend my sincere gratitude to the Board of Governors for their continued support and guidance, to the management team and staff for their dedication and hard work, and to our students and stakeholders for their commitment to our institution's mission.

Together, we have achieved great things this year, and I am confident that we will continue to build on this success in the years to come.

Thank you.

Signed: 

Grace ApondiTiti
Principal/Secretary-BOG

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives

Sabatia TVC has five strategic issues and objectives within current Strategic Plan for the FY 2022- FY 2027. These strategic pillars are as follows:

Issue 1: Quality and relevant Training and learning

Issue 2: Financial, physical and human resources capabilities

Issue 3: Research, Innovation and dual training

Issue 4: Accessibility and Equity in TVET

Issue 5: Environmental Sustainability

Sabatia TVC develops its annual work plans based on the above 5 issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Sabatia TVC achieved its performance targets set for the FY 2022/2025 period for its 5 strategic pillars, as indicated in the diagram below

	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Issue 1	Quality and Relevance Training and learning	Provide quality and market-driven programmes	Increase in number of quality market-driven courses offered and enrolment	Attend public open forums Sensitization visits to secondary schools and enhance practical skills in training, strengthen trainees welfare services and mentorship activities.	Increased enrolment from 1,878 to 2,460. Number of quality market driven courses offered
Issue 2	Financial and Human Resources	Strengthen financial, physical and human capabilities.	Strengthened financial, physical, and human capabilities.	Digitalization of services, installation of safety and security systems, prudent utilization of funds	Percentage completion of projects, implementation of human resource policy
Issue 3	Research, Innovation and dual training	Promote research, innovation,	Strengthened Research, innovation, dual	Implement, STI, Research, initiate and enhance dual training, enhance	No. of research papers and innovations, No. of enhanced linkages,

		dual training programs, partnership and linkages	training programmes, partnerships and linkages.	community outreach services and enhance dissemination of information.	partnerships and collaborations and No. of community outreach services
Issue 4	Accessibility and Equity in TVET	Promote accessibility and Equity in TVET	Revitalized IGAs and implementation of short courses, initiated and implemented hybrid ODEL courses.	Increase access to short courses, revitalize short courses, initiate and implement hybrid ODEL programs, enhance marketing activities and ensure buildings have ramps.	No. of revitalized IGAs, No. of units under hybrid ODEL program, no. of marketing activities, % increase in female trainees enrolled in SET courses and 40% ramp inclusion in college buildings.
Issue 5	Environmental Sustainability	Integrate environmental sustainability	Awareness activities on Environmental Sustainability incorporated.	Participation in tree planting and college beautification and adoption of greening practices in the college including solar lighting and E-waste disposal.	No. of lighting points increased

8. Corporate Governance Statement

The Statement Outlines College commitment to maintaining high standards of corporate governance, ensuring transparency, accountability, and ethical conduct in our operations. We believe that effective governance is crucial for sustaining stakeholder trust and long-term success.

Our governance framework is designed to align with best practices and regulatory requirements. Key components include:

i. Board Composition

Our Board is composed of diverse members with a balance of skills, experience, and perspectives. Independent directors play a crucial role in decision-making processes.

ii. Roles and Functions of the Board

The roles of the Board are as outlined in article 29 of the TVET Act of 2013 and includes among others; to'

- i. Provide policy direction to management
- ii. Develop and implement the strategic plan
- iii. Consider and approve the budget
- iv. Consider and approve the financial statements and reports
- v. Oversee the human resource management
- vi. Oversee staff and student discipline
- vii. Help mobilise resources for the institution

iii. Induction, training, and development

The board charter is finalized. Board members have all been inducted

Succession is guided by the TVET Act which guides that member to the board should be appointed in a manner that guarantees continuity.

iv. Board and member's performance

The Board demonstrated commitment to governance and oversight responsibilities. While the collective performance has been commendable.

v. Number of Board meetings held and the attendance to those meetings by members

During the FY 2024/2025, the board held a total of Fourteen meetings which were all very well attended by members. The Board comprises of a total of 8 members (the Principal inclusive) with 4 forming a quorum

vi. Succession plan

The process of appointment and removal of board members is provided for in the TVET Act.

Appointment – On expiry of the term of office, the secretary to the board in consultation with the Controller, TVET would constitute a Nomination Panel which would recommend at least 3 members for each position to the Cabinet Secretary responsible for TVET who will then appoint one.

Removal – Grounds for removal are provided for in the TVET Act of 2013

vii. Policy to manage conflict of interest

The maintenance of a Conflict of Interest Register has promoted integrity and accountability within the Board. The transparent management of conflicts has ensured that Board decisions remain objective and in the best interests of the institution.

viii. Board remuneration

The Board has received timely remuneration in line with policy, SRC circulars, government guidelines, and institutional financial regulations, reinforcing transparency, fairness, and compliance

ix. Ethics and Conduct

Our Code of Conduct outlines the ethical principles and expectations for all employees and directors. We are committed to fostering a culture of integrity and compliance.

x. Governance audit

The Board largely complied with the Mwongozo Code of Governance for State Corporations and other regulatory requirements, reinforcing transparency, accountability, and ethical leadership, while highlighting areas for improvement in capacity building, stakeholder engagement, and monitoring of resolutions.

xi. Communication policy

In line with the Mwongozo Code of Governance for State Corporations, the Board has adopted a Communication Policy to ensure timely, accurate, and transparent information sharing with stakeholders, thereby enhancing accountability, trust, and institutional visibility

xii. Terms of Reference of Committees

We have established several committees, including Audit, Risk, and Remuneration Committees, each with defined responsibilities and authority to oversee specific areas of governance. We have established several committees, each with defined responsibilities and authority to oversee specific areas of governance as illustrated.

i. The Audit, Risk Management and compliance Committee

The committee is comprised of the following board of Governors.

Obonyo Milka Orare- Chairperson

Joseph Nyotumba- Member

This committee is charged with the responsibility of over sighting the following key activities;

Audit function – Development and review of the internal audit policy, internal audit planning and execution, reviewing internal audit reports and action plans and Implementation of internal audit reports and external audit recommendations.

Risk Management – Development and review of Risk Management Policy and plans, implementation of risk management plans.

Compliance – Considering compliance audit reports and plans, ensuring compliance to all relevant laws and regulations, corporate social responsibility programs.

ii. The Finance, Infrastructure and Development Committee

The committee is comprised of the following board of Governors.

Joseph Shiroko- Chairperson

Belinda Oketch- Member

Samuel M.Makori - Member

This committee is charged with the responsibility of over sighting the following key activities;

Planning and Budgeting – overseeing project planning and budget making processes

Implementation – Overseeing the implementation of projects and the budget

Strategic Planning – Overseeing the development, review and implementation of the strategic planning process.

Financial management – overseeing the general management of finances to ensure their prudent use. In particular, considering and approving financial proposals, Quarterly reports, annual financial statements and other financial reports.

iii. The Human Resource, Education and Research Committee

The committee is comprised of the following board of Governors.

Michael Musuya - Chairperson

Obonyo Milka Orare- Member

Joseph Nyotumba - Member

This committee is charged with the responsibility of over sighting the following key activities;

Human Resource Management – Development and review of policy documents, staff recruitment process, staff welfare, staff training and development and staff discipline

Education – Development and review of policy documents, implementation of training programmes, implementation of the curricula, evaluation of trainee progress, trainee enrolment, welfare and discipline

Research – Development and review of the Research Policy, planning and implementation of research activities.

xiii. Policy on related party transactions

We prioritize open communication with our stakeholders, including shareholders, employees, customers, and the community. Regular updates and feedback mechanisms ensure their interests are considered in our decision-making processes.

9. Management Discussion and Analysis

Overview of Performance

Sabatia TVC's performance generally improved during the financial year 2024/2025, though not to the levels we had anticipated. The College faced several challenges, particularly regarding Government funding and trainee enrolment.

Capitation Funding

Throughout the year, we received capitation funding for all four quarters; however, the amounts per student were lower than in previous years and were disbursed after some delays. This has had a significant impact on our operational budget and our ability to deliver programs effectively.

Trainee Enrolment

Trainee enrolment stood at 2,460 by the end of the year, showing resilience despite external challenges. While this figure is an improvement, we recognize the need for enhanced marketing strategies and community outreach to attract more students. Our focus remains on promoting the value of our programs and the career opportunities they provide.

Operational Improvements

During the year, we implemented various operational enhancements aimed at increasing efficiency and effectiveness in our service delivery. This includes staff training, upgrading facilities, and integrating technology into our educational programs, all of which are designed to improve the overall student experience.

Challenges and Opportunities

While we experienced improvements, several challenges remain:

- i. **Funding Stability:** We need to advocate for more consistent and adequate funding to support our programs.
- ii. **Market Competition:** Increasing competition from other institutions requires us to differentiate our offerings and enhance our value proposition.
- iii. **Economic Conditions:** Fluctuating economic conditions may impact enrolment and funding, necessitating a proactive approach to risk management.
- iv. **Retention Rates:** While enrolment figures are promising, retaining students throughout their programs remains a challenge. We must enhance support services to improve student satisfaction and completion rates.
- v. **Adapting to Technological Change:** Rapid advancements in technology require continual updates to our curriculum and teaching methods. Staying current with industry standards and technology integration is crucial.

- vi. **Program Diversification:** Expanding our course offerings to include in-demand skills and certifications can attract a broader range of students and meet market needs.
- vii. **Partnerships with Industry:** Building partnerships with local businesses and organizations can provide practical training opportunities for students and enhance employability.
- viii. **Community Engagement:** Strengthening our outreach efforts within the community can raise awareness of our programs and foster relationships that lead to increased enrolment.
- ix. **Online Learning Expansion:** Developing online and hybrid learning options can attract students who require flexible schedules and broaden our reach beyond local communities.
- x. **Alumni Network Development:** Leveraging our alumni network for mentorship and job placement opportunities can enhance our institution's reputation and provide valuable resources for current students.

10. Environmental and Sustainability Reporting Statement

Sabatia TVC is dedicated to fostering a culture of sustainability and environmental stewardship. By implementing effective initiatives and setting ambitious goals, we aim to not only reduce our environmental impact but also inspire our students and community to embrace sustainable practices. Together, we can contribute to a healthier planet for future generations.

The 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, which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

As a College, we are focused on sustainable growth in all respects. We have put in place an innovative marketing strategy that is intended to ensure sustainable growth in enrolment. We have also put in place a monitoring and evaluation mechanism that assures of quality training in all our programmes. We are also fully aware of the current overwhelming political support and goodwill towards the TVET sub sector as a key national development pillar

Environmental performance

As a college, we are proud to support the national goal of achieving 10% forest cover. During the year, we actively engaged in tree planting initiatives, which not only enhance the aesthetic value of our campus but also contribute to biodiversity and environmental conservation.

Key Achievements:

- **500 Trees Planted:** During the period, the College successfully planted 500 trees, including a variety of ornamental flowers, fruit trees, and general trees. These trees were carefully selected to suit the local environment and enhance both the greenery and the ecological balance of our campus.
- **Tree Maintenance and Protection:** Beyond planting, we have established systems to ensure that the trees are well-maintained and protected from damage, ensuring their survival and long-term growth. This includes regular watering, mulching, and monitoring

Employee welfare

At our institution, we remain committed to fostering a healthy, equitable, and supportive working environment for all our employees. Ensuring employee well-being is not only critical for the overall success of the college but also reflects our dedication to upholding best practices in human resource management.

As part of our commitment to promoting diversity and gender equality, we are fully compliant with the national policy on gender ratio, which stipulates that no more than two-thirds of the workforce

can be from the same gender. Our workforce currently consists of: 43 male employees and 27 female employees. This gives us a two-thirds gender ratio, which aligns with national requirements. We continue to ensure that gender balance is maintained and will strive to promote gender inclusivity in recruitment, training, and leadership opportunities. Our aim is to create an environment where all employees, regardless of gender, feel valued and empowered.

As a college we are determined to fully comply with the national policy on gender ratio of not more than two thirds gender majority. We also take any opportunity available to improve skills and competencies of our staff through training and workshops. We have also taken measures to ensure workplace safety in all our workshops tuition rooms and offices

Market place practices-

- a) Our marketing policy and strategy focuses on creating awareness towards the opportunities available in the TVET sector. We also focus on value options in our college. We are committed to fair competition and respect for our competitors
- b) We are committed to fair business practices in our supply chain processes and to honoring our promises to our business partners.
- c) Our training programs are strictly organized in accordance to the recommended syllabi. We also hold regular forums with our trainees who are our main customers to address their concerns. We also have other customer engagement mechanism as a way of assuring that their rights are upheld

Corporate Social Responsibility / Community Engagements

Currently, our main engagement with the community is creating awareness on the training opportunities available in the TVET sub sector, employment options and the government support available.

In line with our mission to link education with industry needs, we have established partnerships with local businesses and industries to support both our students and the wider community. These partnerships provide mutual benefits, including:

Internship and Apprenticeship Programs: Local industries have offered internships and apprenticeships to our students, giving them hands-on experience and improving their job readiness.

11. Report of the Board of Governors

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

Principal activities

The principal activities of the College are to provide quality Technical and Vocational Training in order to produce competitive graduates for the job market

Results

The results of the College for the year ended June 30th June 2025 are set out on page 1 to 5

Board of Governors

The members of the Board who served during the year are shown on page viii to x.

Auditors

The Auditor General is responsible for the statutory audit of Sabatia Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants firm who were nominated by the Auditor General to carry out the audit of Sabatia Technical and Vocational College for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

CAPM
.....
Secretary of the Board

Date: 14/07/2025

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of Sabatia Technical and Vocational 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/period. 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.

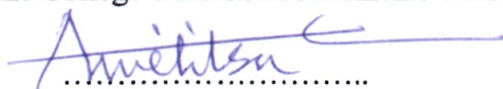
The board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the year ended on June 30th, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the year ended June 30th, 2025, and of the College's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the College ability to continue as a going concern Nothing has come to the attention of the board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The College's financial statements were approved by the Board on 14/7/2025 and signed on its behalf by:


.....

Chairman, Board of Governors


.....

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 SABATIA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sabatia Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025, and the statement of 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 Sabatia Technical and Vocational College at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the annual report and financial statements provided for audit revealed the following errors;

1.1 Inventories

The statement of financial performance reflects an amount of Kshs.8,051,427 relating to inventories. The financial statements indicate that the previous year balance was Kshs.752,731, which is an increase of Kshs.7,298,696. However, the statement of cash flows reflects an increase of Kshs.3,816,404. Although the institution prepares a cash flows statement on cash basis, no reconciliation was provided between the two amounts.

1.2 Variances of Balances reported in the Statement of Financial Position and the Statement of Comparison of Budget and Actual Amounts

The statement of financial position reflects property, plant and equipment balance of Kshs.118,632,650 as disclosed in Note 20 to the financial statements. This amount of include additions during the year amount of Kshs.15,609,250 which varies with Nil capital expenditures reflected in the statement of comparison of budget and actual amounts.

In the circumstances, the completeness and accuracy of the reported balances could not be confirmed.

2. Receivables from Exchange Transactions

2.1 Unexplained Variance between Current Year and Prior Year Receivables from Exchange

The statement of financial position and as disclosed in Note 18 to the financial statements reflects balance of Kshs.100,323,982 in respect of receivables from exchange transactions. However, there was a huge increase in receivables from exchange transactions from the prior year recording an amount of Kshs.66,740,839

and current year an amount of Kshs.100,323,982 leading to unexplained variance of Kshs.33,583,143 (33%). No reason was provided for the huge increase.

2.2 Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 18 to the financial statements reflects receivable from exchange transactions balance of Kshs.100,323,982. This amount include amount of Kshs.46,572,782 consist of Kshs.33,594,500 and Kshs.12,978,282 which have been outstanding for 1-2 years and 2-3 years respectively.

In the circumstances, the accuracy of receivables from exchange transactions balance of Kshs.46,572,782 could not be confirmed and their recoverability appears doubtful.

3. Ownership of Land

The statement of financial position and as disclosed in Note 20 to the financial statements reflects a total of Kshs.118,632,650 in respect of property plant and equipment. Included in the amount is Kshs.7,500,000 in respect of land parcel no North Maragoli/Chamakanga whose ownership documents had not been obtained.

In the circumstances, the ownership of the land balance of Kshs.7,500,000 could not be confirmed.

4. Valuation of Assets

The statement of financial position and as disclosed in Note 20 to the financial statements reflects property, plant and equipment balance of Kshs.118,632,650. Review of valuation report dated 13 February, 2025, revealed that the assets were valued at Kshs.104,333,900 and was carried out by the Ministry of Lands, Public works, House and Urban Development, Kakamega County. It is not clear, and Management has not explained how the value of the property, plant and equipment increased by Kshs.14,298,750.

In the circumstances, the accuracy and valuation of the property, plant and equipment and the revaluation reserves could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sabatia 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 summary statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis of Kshs.121,398,100 and Kshs.56,178,056

respectively resulting to an under-funding of Kshs.29,168,344 or 24% of the budget. Similarly, the College spent an amount of Kshs.56,178,056 against actual receipts of Kshs.92,229,756 resulting to an under-utilization of Kshs.36,051,700.

The underfunding may have affected the planned activities of the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

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

	Financial Year	Audit Issue
1	2023/2024	Trade and Other Payables from Exchange Transaction
2	2023/2024	Property, Plant and Equipment
3	2023/2024	Partial Implementation of ERP System
4	2023/2024	Lack of Internal Audit Function
	2023/2024	Non-Compliance with Law on Ethnic Composition
5	2023/2024	Non-Compliance with Guidelines on Board Appointments
6	2023/2024	Non- Compliance with the Law on Representation of Peoples with Disabilities
7	2023/2024	Lack Proper IT Internal Controls

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have

performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Climate Change and Financing

1.1. Non-Compliance with Climate Change and Financing Requirements

Review of climate change records revealed that the College did not establish mandatory climate change policies required by the Climate Change Act, 2016 which states that Section 15(5) of the Climate Change Act, 2016 requires that, each state department and national government public entity shall have the following duties-(c) designate a unit with adequate staff and financial resources and appoint a senior officer as head of the unit to coordinate the mainstreaming of the climate change action plan and other climate change statutory functions and mandates into sectoral strategies for implementation.

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

2. Compliance with Affirmative Action

2.1. Non-Compliance with Law on Representation of People with Disabilities

Review of human resource records revealed that the College had fifty-eight (58) employees in their payroll. However, there was no evidence to show that persons with disabilities were represented in the work force contrary to Article 232(1) of the Constitution, 2010 and Public Service Commission Diversity Policy 2016.

In the circumstance, management was in breach of the law.

3. Capacity Levy

3.1 Failure to Deduct Capacity Levy of 0.03% on Contracts Entered from 1 September, 2024

The Public Procurement Regulatory Authority (PPRA) gave guidelines to all procuring entities to deduct 0.03% levy on all contracts entered into after September, 2024, as

well as any contract extensions, renewals and/or variations made from 1 September, 2024; Review of some of the sampled payment vouchers and procurement files revealed that four (4) contractors were paid amount of Kshs.14,492,000 for various supplies. However, Management did not deduct and remit capacity building levy amounting to Kshs.4,348 as tabulated below contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023.

In the circumstance the entity was in breach of the Public Procurement Capacity Building Levy order, 2023.

4. Other Non-Compliance

4.1. Non- Compliance with Treasury Circular on Maintenance of an Integrated HR System

Review of Human Resource information provided for audit review revealed that the entity maintains summary payrolls prepared on desktop and not integrated payroll products containing integrated details of specific and gross earnings for employees, details of specific payroll deductions and total deductions for employees generated from the HR and payroll system. Management did not adhere to the Guideline no. 32 of the Treasury Circular No. 16/2020 ref. no.ES/03 'P' (50) of 26 August, 2020 'Guidelines for preparation of the 2021/22 -2020/24 medium term Budget' stated that allocation for personnel emoluments must be supported by IPPD for personnel requirements.

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

5. Non-Compliance with Guidelines on Board Appointments

Review of Board of Governors data revealed that tenures of all the 7 members of the Board begun on 28 February, 2025 and will end on 28 February, 2028. Therefore, the tenures were not staggered to ensure a phased transition. This is contrary to Chapter 1.14(I) of Mwongozo (The Code of Governance for State Corporations) on succession planning, which requires that the appointing authority should ensure that the tenures of Board members are staggered to ensures a phased transition.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Reports

Review of internal audit records revealed that no internal audit reports were prepared and discussed during the year. This contravenes Regulation 160. of the Public Finance Management National Government Regulations 2015 states that, internal auditors shall— (b) have a duty to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization; and (c) review the effectiveness of the financial and non-financial performance management systems of the entities.

In the circumstances, Management was in breach of law.

2. Non-Compliance with the Procurement Requirements on the Role of Board of Governance

The approved annual procurement plan for the Sabatia TVC was signed by the Accounting Officer and the Chair of the Board of Governance. However, the minutes for Board of Governance for approval of the procurement plan were not availed for audit review.

Further, there was no evidence that the Quarterly reports for implementation of procurement plan by Sabatia TVC were submitted to the Board of Governance, discussed and adopted.

As such, the College did not comply with the requirement on oversight of procurement processes, as provided for by the PPRA Regulations, as well as per the guidance by PPRA through the Circular No 06 of 2023.

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

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

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

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

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 Ochieng~~, CBS
AUDITOR-GENERAL

Nairobi

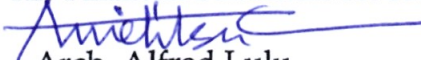
02 December, 2025

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

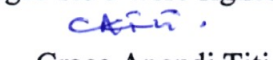
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from National Government Entities	6	13,456,550	16,900,425
		13,456,550	16,900,425
Revenue from exchange transactions			
Rendering of services- Fees from students	7	77,227,433	66,183,954
Sale of goods	8	1,000,089	507,824
Finance income	9	537,684	150,358
Other income	10	8,000	535,250
Revenue from exchange transactions		78,773,206	67,377,386
Total revenue		92,229,756	84,277,811
Expenses			
Use of goods and services	11	43,374,131	26,982,024
Employee costs	12	9,505,274	5,902,251
Board Expenses	13	1,024,000	1,479,000
Amortization expense	14	173,750	4,920,948
Repairs and Maintenance	15	1,850,851	2,282,457
Contracted Services	16	250,050	0
Total Expenses		56,178,056	41,566,680
Net Surplus for the Period		36,051,700	42,711,130

(The notes set out on pages 6 to 36 form an integral part of the Annual Financial Statements).

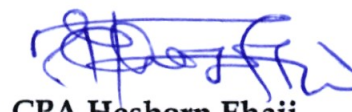
The Financial Statements set out on pages 1 to 5 were signed by


Arch. Alfred Lulu

Chairman, Board of Governors


Grace Apondi Titi

Principal


CPA Hesborn Ehaji

Finance Officer
(ICPAK) No.11369

Date 14/07/2025

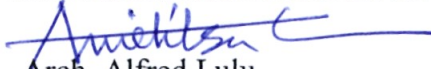
Date 14/07/2025

Date 14/07/2025

15. Statement of Financial Position as at 30th June 2025

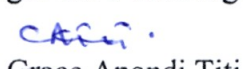
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	2,306,059	11,523,176
Receivables from exchange Transactions	18	100,323,982	66,740,839
Inventories	19	8,051,427	752,731
Total current assets		110,681,468	79,016,746
Non-current assets			
Property, plant and equipment	20	118,632,650	59,457,999
Intangible assets	21	2,838,250	2,432,000
Total non-current assets		121,470,900	61,889,999
Total assets (A)		232,152,368	140,906,745
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	22	12,480,913	3,249,883
Total current liabilities		12,480,913	3,249,883
Total Liabilities (B)		12,480,913	3,249,883
Net assets (A-B)		219,671,455	
Represented By:			
Revaluation Reserves		28,578,643	0
Accumulated surplus		116,648,055	80,596,355
Capital Fund		74,444,757	57,060,507
Total net assets and liabilities		219,671,455	140,906,745

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


Arch. Alfred Lulu

Chairman, Board of Governors

Date 14/07/2025


Grace Apondi Titi

Principal

Date 14/07/2025


CPA Hesborn Ehaji

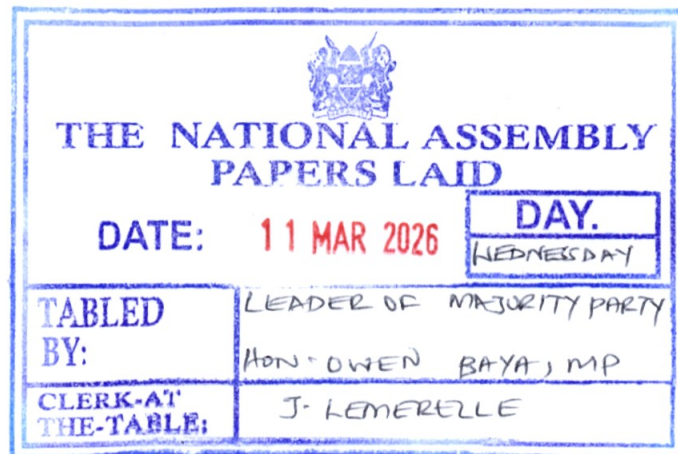
Finance Officer

ICPAK No. 11369

Date 14/07/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	37,885,224	57,060,507	94,945,731
Revaluation gain	-	-	-	-
Surplus for the year	-	42,711,130		42,711,130
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024		80,596,355	57,060,507	137,656,862
At July 1, 2024		80,596,355	57,060,507	137,656,862
Revaluation gain	28,578,643	0	17,384,250	45,962,893
Surplus/(deficit) for the year		36,051,700	0	36,051,700
At June 30, 2025	28,578,643	116,648,055	74,444,757	219,671,455



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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities	6	13,456,550	16,900,425
Rendering of services- Fees from students	7	77,227,433	66,183,954
Sale of goods	8	1,000,089	507,824
Finance income	9	537,684	150,358
Other income	10	8,000	535,250
Total Receipts		92,229,756	84,277,811
Payments			
Use of goods and services	11	43,263,931	26,982,024
Employee Costs	12	9,505,274	5,902,251
Board Expenses	13	1,024,000	1,479,000
Repairs and Maintenance	15	1,850,851	2,282,457
Contracted Services	16	250,050	0
Total Payments		(55,894,106)	(36,645,732)
Changes in Working Capital			
Increase in Receivables		(33,583,143)	(32,405,275)
Decrease/increase in payables		9,231,030	(4,150,081)
Decrease/increase in Inventories		(3,816,404)	1,895,153
Total Changes in Working Capital		(28,168,517)	(34,660,203)
Net cash flows from operating activities		8,167,133	12,971,876
Cash flows from investing activities			
Purchase of property, plant, equipment,	20	(16,804,250)	(2,486,300)
Purchase of intangible assets	21	(580,000)	0
Net cash flows used in investing activities		(17,384,250)	(2,486,300)
Net Decrease in cash and cash equivalents		(9,217,117)	10,485,576
Cash and cash equivalents at 1. 07.2024		11,523,176	1,037,551
Cash and cash equivalents 30.6.2025		2,306,059	11,523,176

Cash flow Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	36,051,700
1	Reason for differences. Accrual basis of preparation	33,745,641
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,306,059

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

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual on a comparable basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=(a+b)	D	E=c-d	F=d/c
Budget carryovers from the previous year	-	-	-	11,523,176	-	-
Receipts				0		
Transfers from National Government entities	27,000,000	0	27,000,000	13,456,550	13,543,450	50%
Grants from donors and development partners	122,450,000		122,450,000	0	-122,450,000	
Rendering of services- Fees from students	94,248,100	0	94,248,100	38,109,951	56,138,149	40%
Sale of goods and other Income	150,000	0	150,000	1,545,773	-1,395,773	100%
Total Receipts	243,848,100		243,848,100	64,635,450		
Payments						
Use of goods and services	90,013,300	0	90,013,300	32,925,216	57088084	37%
Employee costs	23,182,200	0	23,182,200	9,255,274	13926926	40%
Remuneration of directors	2,190,000	0	2,190,000	1,024,000	1,166,000	47%
Amortization Expense	0	0	0	173,750	-173,750	
Repairs and Maintenance	6,012,600	0	6,012,600	1,850,851	4,161,749	31%
Capital Expenditure Payments	122,450,000		122,450,000	17,384,250	105,065,750	14%
Total Expenditure Payments	243,848,100		243,848,100	62,613,341	181,234,759	26%
Surplus				2,022,109		

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

Budget notes:

	Description of Particulars	
1	Transfers from National Government entities	The variance is a results of delayed funding
2	Rendering of services- Fees from students	The variance is as a result of Low trainee Enrolment
3	Use of goods and services	Delayed disbursement of government funding for Trainees, leading to lower revenue collections and reduced spending on planned activities
4	Employee costs	Budgeted positions remained unfilled due to delayed Government funding
5	Remuneration of directors	The Board suspended its workshops and training due to delayed Government funding
6	Repairs and Maintenance	Maintenance activities postponed due to cash flow constraints, prioritization of other expenses. Due to delayed Government funding

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	2,022,109
Reason for differences. Non -cash movement Items	283,950
Closing Cash and Cash Equivalent as per the statement of Cash flows	2,306,059

19. Notes to the Financial Statements

1. General Information

Sabatia TVC is established by and derives its authority and accountability from The TVET Act of 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activities of the college are providing quality technical and vocational training in order to produce competitive graduates for the job market.

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. There are no areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the reporting currency of the college.

The financial statements have been prepared in accordance with the PFM Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards issued or effective from 1 July 2025 to 30 June 2025.
- ii. New and amended standards and interpretations in issue but not yet effective as at 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>
IPSAS 45: Property, Plant and Equipment	<p>Applicable 1st January 2025</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>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</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>
	<p>Applicable 1st January 2026</p>