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THE AUDITOR-GENERAL

ON

**KAKRAO TECHNICAL AND VOCATIONAL
COLLEGE**

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





KAKRAO 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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I. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
KTVC	Kakrao Technical and Vocational College
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
PSC	Public Service Commission
KNEC	Kenya National Examination Council
NITA	National Industrial Training Authority
CDACC	Curriculum Development, Assessment and Certification Council
KASNEB	Kenya Accountants and Secretaries National Examination Board
PS	Principal Secretary
TVET	Technical and Vocational Education and Training
OS	Occupational Standards

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B Definition of Key Terms

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

Comparative Year- the prior period.

The Board – a group of professionals managing the institution

Quality Management System (QMS) - A structured system of processes and procedures that institute uses to ensure consistent delivery of products or services that meet customer and regulatory requirements, based on standards like ISO 9001:2015

Stakeholders - Individuals or groups with an interest in the institution's operations and outcomes including students, staff, and the community.

Fiduciary Responsibility - The obligation of individuals in positions of trust (like the Principal and Board members) to act in the best interest of the institution and its stakeholder

Linkages in Training and Industry - Collaborations between educational institutions and industry partners to enhance training relevance and job placement opportunities

Market-Driven Skills - Skills developed based on the current demands and needs of the job market.

Self-Reliance - The ability of individuals to support themselves financially and socially through acquired skills and knowledge

Sustainable Development: Development that meets present needs without compromising the ability of future generations to meet their own needs, often emphasizing environmental, economic, and social sustainability

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2. Key Kakrao Information and Management

(a) Background information

Kakrao Technical and Vocational College was established under the TVET Act 2013 commenced operations on February 05 2021. The College is domiciled in Kakrao shopping centre approximately 4 km from Kakrao centre Migori county- Kenya. The institution is a public institution and is under the Ministry of Education.

(b) Principal Activities

The principal activity of Kakrao Technical and Vocational College is to train students in business and technical courses.

Our Vision

To be a TVET centre of excellence in technical, science and business courses

Our Mission

To equip trainees with knowledge, skills and attitude relevant for the 21st century and beyond

Our Strategic Objectives

- To achieve Financial Viability and Sustainability
- To develop a Strong and Well-managed Institution
- To provide quality Education and Technical Training
- To improve Corporate Governance and Image
- To expand and improve the Physical Facilities
- To enhance Risk Management, Disaster Preparedness and promote Environmental Sustainability

Our Core Values

- Integrity
- Innovation
- Practicability
- Teamwork
- Environmental Sustainability

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(c) Key Management

The day-to-day management of the College is exercised by the following key organs:

- Board of Governors
- Principal / Board Secretary
- Principal's Management Committee
- HOD's

(d) Fiduciary Management

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

Designation	Name
Principal	Felix B. Odhiambo
Deputy Principal-administration	James Ouko Ochido
Deputy Principal-academics	Naomi Odira
Registrar administration	Collins Owino Odhiambo
Registrar academics	Ann Lavenda Omollo
Dean of Students	Dorcas Aloo Origah
Finance Officer	Aluoch Norah
Supply Chain Manager	Mark Oduor Onyango
Human Resource Officer	Christine Claire Awange

Key Kakrao Information and Management

(e) Fiduciary Oversight Arrangements

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

Designation	Name
BOG Chairperson	Kenneth Otieno Mauko
BOG Member	Carolyne A. Odera
BOG Member	Charles J.O. Andala
BOG Member	Caleb J. Miyawa
BOG Member	CPA Mary Koko Ouma

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Designation	Name
BOG Member	Vivian K. Ratemo
BOG Member	Olivia Aluoch Odongo
Principal-BOG Secretary	P.Eng. Tech. F B Odhiambo

Board Committees	Members	
Administration Finance, Infrastructure and Projects (AFIP) Committee	Arch Charles J. O Andala	Chairman
	Dr. Carolyne A. Odera.	Member
	Olivia Aluoch Odongo	Member
	P.Eng. Tech. F B Odhiambo	Secretary
Audit, Risk Management and Compliance (ARMC) Committee	CPA Mary Koko Ouma	Chairman
	Vivian K. Ratemo	Member
	Caleb J. Miyawa	Member
	Herbert Ngaiira	Secretary/Auditor
Education, Research, Training and Human Resource (ERTHR) Committee	Dr. Carolyne A. Odera	Chairperson
	Arch. Charles J.O. Andala	Member
	Caleb J. Miyawa	Member

(f) College Headquarters

P.O. Box 308, 40400
Suna-Migori
Kisii-Isebania Road
Migori County,
KENYA.

(g) College Contacts

Telephone: (254) 0101905052 / +254 48805052
E-mail: kakraotvc20@gmail.com/kakraotvc@yahoo.com
Website: <https://www.kakraotvc.com>

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(h) College Bankers

Kenya Commercial Bank Limited
Migori Branch
Physical address: Kisii/ Isebania Rd, Suna
Tel: +254-5920501

Cooperative Bank Ltd
Migori Branch
Tel: 0728601290, 0702907475, 0786666065
Email: migori@co-opbank.co.ke

(i) Independent Auditors



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

(j) Principal Legal Adviser

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

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3. Board of Governors


 <p>1. KENNETH OTIENO MAUKO BOG Chairperson</p>	<p>D.O.B: 19th May 1983</p> <p>Qualifications and work experience</p> <p>Constituency Office Manager (Suna East Constituency) 2020-2024</p> <p>A Professional Project Manager</p> <p>MBA Finance JKUAT MSc Project Management- UoN BSc Project Management -UoN</p>
 <p>2. DR. CAROLYNE A. ODERA BOG Member</p>	<p>DOB: 16th January 1974</p> <p>Qualifications and work experience</p> <p>Lecturer at Rongo University Dr Carolyne holds a PhD in Communication Studies in Educational Leadership-Rongo University MEd Educational Leadership and Management- Aga Khan University BEd English Literature UoN PTE(P1)-Meru TTC</p> <p>She is an accomplished scholar with a teaching experience of over 21 years. She has also published in various refereed journals.</p>


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	<p>DOB: 1975</p> <p>Qualifications and work experience</p> <p>A senior accountant at South Nyanza Sugar Limited</p> <p>Masters (MBA) in Finance- UoN</p> <p>BEd Mathematics and Economics -Egerton University</p> <p>ICPAK Member, CPA (K)</p> <p>AWAK Member and is a Certified Pension Fund Trustee</p>
<p>3. CPA MARY KOKO OUMA BOG Member</p>	<p>DOB: 11th November 1962</p> <p>Qualifications and work experience</p> <p>MEd - Education Administration and Planning</p> <p>MBA- Marketing Management</p> <p>BEd Arts-Economics and commerce</p> <p>Diploma in Education</p> <p>Former Deputy Director Technical Education Directorate of TVET</p> <p>State Department for TVET</p> <p>Ministry Of Education.</p>
 <p>4. OLIVIA ALUOCH ODONGO BOG Member</p>	<p>DOB: 15th March 1995</p> <p>Qualifications and work experience</p> <p>LLB - Kabarak University 27/10/2016</p> <p>Diploma in law -Kenya School of Law</p> <p>She is an advocate of the High Court of Kenya and admitted to bar on 14th Feb 2019 .</p>
 <p>5. VIVIAN K RATEMO BOG Member</p>	


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	<p>DOB: 20th January 1988</p> <p>Qualifications and work experience</p> <p>Bachelor in Architecture - JKUAT University</p> <p>Professional consulting architect</p> <p>Director at Andytect Designs Ltd</p> <p>Municipal Principal Superintending Architect- Migori County.</p>
<p>6. Arch. CHARLES J.O ANDALA BoG Member</p>	

	<p>DOB: 1st July 1956</p> <p>Qualifications and work experience</p> <p>Currently pursuing PhD Education Planning and Economics-Kisii University</p> <p>Currently pursuing PhD Technology Education - UoE</p> <p>MEd Management and Policy Studies- MMUST</p> <p>MEd Technology Education (Mechanical option)- UoE</p> <p>BEd Technology Education-Moi University</p> <p>Lecturer at Masinde Muliro University of Science and Technology (MMUST)</p>
<p>CALEB J MIYAWA BoG Member</p>	

	<p>DOB: 20th December 1977</p> <p>Qualification and work experience</p> <p>Masters of Education (MEd) in Education Administration - UoN</p> <p>Bachelor of Education (BEd) -KU</p> <p>Has served as teacher (TSC), trainer (TVET), Technical accreditation and Quality Assurance officer MoE, and Deputy director TVET</p> <p><i>Incoming Regional Director as from 30th March 2025</i></p>
<p>Mr. HANDSON NYABERI GICHANA Regional director TVET / PS Representative</p>	

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	<p>DOB:</p> <p>Qualifications and work experience</p> <p>Has served as a Deputy Director in charge of Quality Assurance in the Directorate of Technical Education he has also served in the Department of Quality Assurance Officer in TVETA.</p> <p>Has served as a part time lecturer in the School of Business and Economics at the university of Nairobi. An accomplished author on many articles in CBET and Dual Training.</p> <p>Has a PhD in FINANCE</p> <p><i>Outgoing Regional Director up to 30th March 2025</i></p>
<p>7. Dr. JOHN OSORO Regional Director TVET / PS Representative</p>	<p>DOB: 9th September 1969</p> <p>Qualifications and work experience</p> <p>Holds a BTech in Electrical and Electronics from TUM University</p> <p>Diploma in Tech. Education from Kenya School of TVET.</p> <p>Has been a TVET Trainer for over 32 years, a HOD for over 15 years, a Dean of Students for 2 years and a Registrar Administration for two years.</p> <p>A Registered Professional Engineering Technologist with KETRB.</p> <p>A Member of IET-K.</p>
<p>8. FELIX BARCLAYS ODHIAMBO, P.Eng.Tech; MIFT-K BOG Secretary / Principal</p>	

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4. Key Management Team

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



MANAGEMENT TEAM

	<p>Felix Barclays Odhiambo, P.Eng.Tech; MIET-K BoG Secretary/Principal Bachelor of Technology-TUM (Electrical and Electronics) Diploma in Technical Education-Kenya School of TVET.</p>
	<p>Deputy Principal-Administration James Ouko Ochido: DP Administration. BSc Maths and ICT - Moi University PGDE- Kisii Teachers College</p> <p><i>Outgoing Deputy Principal Administration upto 21st February 2025</i></p>
	<p>Deputy Principal-Administration Boaz Ochieng Bolo: DP Administration HND Entrepreneurship and Development Dip in Agricultural Education and Extension- Egerton University</p> <p><i>Incoming Deputy Principal Administration as from 25th February 2025</i></p>
	<p>Naomi Odira Deputy principal, Academics PhD – Ongoing – Bomet University College MEd in Educational Psychology – JOOUST BTech Education - (Electrical and Electronics) – Moi University</p>

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	<p>Mr. Collins Owino Odhiambo Registrar - Administration and PC Coordinator BEd in Technology Education- Moi University (Mechanical and Computing) Member of IET-K</p>
	<p>Registrar-Academics Mrs. Anne Lavenda Omolo Diploma in Information Science- Moi Institute of Technology. Diploma in Technical Education-Kenya School of TVET Member of Kenya Library Association</p>
	<p>Dean of Students Mrs. Dorcas Aloo Origah BSc in Community Health- GLUK Diploma in Social Work and Community Development-Siaya Institute of Technology Diploma in Technical education -KSTVET Member of CHESOA</p>
	<p>Finance Officer Aluoch Norah CPA 6- KCA University</p>

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	<p>Procurement Officer Mark Oduor Onyango BBA with IT (Procurement and Supply Management Option) from Maseno University Member of KISM</p>
	<p>HR Officer Christine Claire Awange Diploma in Human Resource Management- Siaya Institute of Technology Member of IHRM</p>

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5. Chairman's Statement

On behalf of board of Governors, I feel honoured to present to our stakeholders the annual Report and Financial statements of Kakrao Technical and Vocational College for the Financial year ended 30th June 2025.

This annual report helps us reflect on our performance for the year allowing us to celebrate our achievements and at the same time identify areas of improvement. The FY 2024/2025 financial performance was realized through a concerted effort by the Kakrao TVC Board, management and the entire staff.

In the year under review the board and the parent ministry negotiated a performance contract FY 2024/2025 setting out our targets for the year. The board also spearheaded the revision and or development of key tools of governance e.g. development of an Audit work plan, and training was done for the Board members as required by TVET ACT of 2013. Several policies were also developed and reviewed aligning them to the emerging governance issues. This ensures that the college's competitive edge is sharpened and it continues to offer training services in a more broadened perspective.

Going forward, the Board will continue to carry out its mandate as set out in the TVET ACT 2013, its strategic plan for 2022/2023-2026/2027, and its annual work plans.

Finally, I would like to thank the Board members and the management of Kakrao TVC who, through their unwavering commitment, have led to the achievement of the Board mandate in the past year. I also offer my gratitude to our stakeholders and look forward to collaborating with you towards the achievement of the Board mandate.



Mr. KENNETH OTIENO MAUKO BOARD CHAIRPERSON
ON BEHALF OF BOARD OF GOVENORS
11/07/2025

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6. Report of the Chief Principal

Kakrao Technical and Vocational College opened its doors on 15th February, 2021. The First Principal reported to the institution on January 2020, where the institution was officially handed over by the Mentor Kisii National Polytechnic and Rongo University. The College then comprised of a single incomplete block building which up to date is still incomplete. Registration of the College with TVETA had also not been done and is still in the process since the building is still incomplete.

The main building has been partially empty – no adequate furniture, equipment and machinery as we still wait for the State of Art of Equipment from the Government of Kenya.

During the third Quarter of this financial year, the college received Art of Equipment from the Government of Kenya purposely for training in the Agriculture Department.

There is a partial fence round the compound as the college is committed to do the fencing of the whole parcel of land. Equally, the college is lacking adequate water, though through the county government of Migori, the college received one 10000litre water tank and three 5000litres water tank from MoE-GoK which is being used for rain water harvesting.

The College has now fully registered with the following bodies i.e., KUCCPS, HELB, NITA, KNEC, TVET CDACC and KATTI and is in the process of registering more courses with TVET CDACC. We have embarked on focusing on dual training which will commence in 2025.

The then Cabinet Secretary for Education, Hon. Ezekiel Ombaki Machogu appointed the Board of Governors on 12th of February 2024 headed by Mr. Kenneth Otieno Mauko that has been steering the College during the period ended 30th June 2025. The team has ensured that the College has become operational from where the previous Board of Governors left.

Since the College opened its doors to trainees on 15th February 2021, currently it has registered 1,901 trainees. The PSC has already posted 24 trainers and the remaining 15 trainers are serving on a contract basis having been recruited by the BoG during the 2024/2025 financial year. Due to a wide variety of courses offered, the college had to engage 58 more trainers on internship 2 trainers on teaching practice and 9 casual workers to assist reduce the wage bill.

The management under the direction of the BoG has already documented various operating procedures and policies to guide its operations. It continues to develop more operating procedures and policies. The Board plans a 5-year Strategic Plan which is already under implementation and review processes as required by Performance Contracting. Some of the policies approved by the

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board and are being implemented includes: the Academic Policy, Finance Policy, and Human Resource Policy as other policies are under consideration.

Operational Results

Financial resources have been a big challenge in the just ended financial year and period.

At the close of the period ended June 2024/2025 financial year, the College had received Nil operational and development grant from GoK as it has surpassed 500 trainees. The College therefore had total income of Ksh 53,392,069 out of which 18,034,288 were transfers from the National Government, trainees Capitation and kshs.7,500,000 from Suna East NGCDF against total expenditure of Ksh 54,327,079. Fee collection remains a challenge for the self-sponsored students. However, the College being fully registered with HELB all the trainees with fee challenges have been encouraged and assisted to apply. Since the College is already registered with KUCCPS, the capitation flows into the College to assist in its operations.

We hope to fence and secure the College compound as well as work towards getting a regular water supply which has since then been boosted by the County Government of Migori by donating one 10,000 litres water tank and three 5000litres water tank from MoE GoK. In addition, in conjunction with CDF and other donors, more infrastructural improvements will be witnessed in FY 2024/2025.

Achievements

In the brief period that the College has been in operation it is noted with great pleasure that a number of achievements have been made despite the acute resource constraints.

- Given that the institution was being operationalized, the estimated number of students in the FY 2024/2025 was 1416. However, we realized a total of 1,901 students. This is due to the appropriate marketing strategy put in place.
- Construction of an Engineering Workshop Shade is ongoing.
- Partial landscaping and tree planting
- Acquisition of State of Art Equipment from the GoK

Governance

The second BoG was appointed on 12/02/2024 with the inaugural meeting on 28th March 2024. The BoG executed their duties well during the Period ended June 2025 being their second period in operation. The meeting attendances are stated under corporate governance statement.

There were no conflicts of interest recorded during the period under review.

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The board is in the process of forming and approving, waste and disposal management policies, whistle blowing policies, the board remuneration policy and attendances will be in line with the provisions of the Salaries and Remuneration Commission.

The evaluation of BoG Performance will be done as will be laid by the board.

The College is managed by the Principals Management Committee (PMC) which comprise of all top management staff. During the period under review, the PMC also executed their role well.

Conclusion

Finally, I would like to express my special thanks to Kakrao Technical and Vocational College stakeholders, especially the community and CDF, for the support that they offered to the institution. Special mention also goes to the staffs who worked tirelessly to ensure smooth operation of the institution. The Board is also commended for providing effective leadership and oversight in driving forward the College.

We will continue to be guided by our motto "*Technology for Creativity and Innovation*".

Thank You



F B Odhiambo, P.Eng. Tech; MIET-K
PRINCIPAL/ BOG SECRETARY

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7. Statement of Performance against Predetermined Objectives

Kakrao Technical and Vocational College has 6 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022- 2024 2025. These strategic pillars are as follows:

- Pillar 1: To achieve financial viability and sustainability.
- Pillar 2: To develop a strong and well-managed institution.
- Pillar 3: To provide quality education and technical training
- Pillar 4: To improve corporate governance and image.
- Pillar 5: To expand and improve the physical facilities.
- Pillar 6: To enhance risk management, disaster preparedness and promote environmental sustainability

Being the fourth year that the Strategic Plan is in operation, Kakrao Technical and Vocational College has developed its Annual Work Plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan will be done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Achieve Financial Viability and sustainability	To improve revenue base	KIVC Financial Management Operating Procedures	Develop financial procedures	Receipt of FiRe Award under IVFI category
		Installed ERP	Strengthen fee collection	ERP acquired
		Records of receipts	Strengthen fee collection	Improved fee collected
	To reduce operational cost	Training reports for specialised staff	Train staff in finance and procurement departments	All staff in finance and procurement department trained
		Approved Budget	Compliance with budgetary estimates	100% compliance with financial, legal and regulatory framework
	*To absorb allocated funds	Financial statements, Management Reports	Compliance with budgetary estimates	100% absorption noted
	*To generate Appropriation in Aid	Project records and receipts issued	Identify and initiate income generating activities	Increased IGA activities i.e crop farming, brick making Kshs 123,680 raised
*To clear pending bills	Pending bills of less than 1% of revenue	Pay all pending bills from previous year.	Pending bills of Kshs 4,560,225 of FY 23/24 paid	

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Develop a strong and well managed institution	To develop relevant policies and procedures	Approved policy documents	Develop and operationalize policies and procedure manuals	Improved PC score of 3.0 up from 3.2 in FY 2024/2025
	*To review strategic plan	Reviewed Strategic Plan	Undertake review of July 2021-June 2026 Strategic Plan	June 2023-June 2028 Strategic Plan developed
	*To strengthen staff capacity	Staff Contracts	Undertake recruitment of staff	27 staff members recruited
	*To train staff	Staff Training Reports	Facilitate training of staff	Sustained staff capacity building
	*To expand and equip offices	GRN for acquired furniture and equipment	Undertake creation of more office space and equipping the offices	HoDs' offices created and equipped with tables, chairs and lockable lockers, other offices equipped, staffroom chairs acquired, printer and projector acquired
	*To increase gross enrolment	Trainee Register	Increase gross enrolment in College	Enrolment increased from 1274 trainees to 1901 trainees
	To develop competence development	Staff Training and Appraisal Reports	Undertake institutional skills gap analysis, training needs assessment and employee performance management	41 members of staff appraised and trained
	*To ensure adequate asset management structures	Updated Asset Register	Maintain, update and submit asset register to National Treasury	Asset registers maintained and 100% updated

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements	
Provide quality education and training	To enhance 100% syllabus coverage	Approved professional documents	Develop and submit timely all professional documents	Developed and approved professional documents	
	*To improve KNEC examination pass rate	Approved KNEC examination pass lists	Improve the KNEC examination pass rate	KNEC pass rate hit 78% in November 2024 examination and CDACC exams competency rate at 47%.	
	*To enhance co-curricular and extra-curricular activities	Certificated achieved from participation in Co-curricular and extra-curricular activities	Involve trainees in termly ball games	Participation in regional ball games music and drama	
	*To provide practical training to trainees	GRN for goods that have been produced by trainees	Engage trainees in the development of skills required in the labour market	bricks blocks made by trainees and fabrication of lecture chairs	
	*To develop partnerships and linkages	MoU with industry		Sign MoUs with industry to facilitate conducting of practicals	MoU s signed with AA Kenta driving school
		Insurance cover for trainees		Provide insurance cover to trainees	Insurance cover provided to 301 trainees

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Improve corporate governance and image	*To implement Citizen Service Delivery Charter	Displayed CSDC and tailored departmental CSDC including conversion into braille	Display and customize CSDC and sensitize staff members	CSDC displayed both in English and Kiswahili, converted into sign language, sensitized 64 staff members and cascaded and tailored to training departments
	To strengthen Board of Governors	Board minutes and attendance	Conduct Board meetings as per Board Almanac	Board meetings conducted as scheduled and fully attended

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Expand and improve physical facilities	To expand and equip workshops	GRN for acquired furniture and equipment	Acquire training equipment for workshops	Training equipment acquired for the engineering departments
		Installation of enhanced internet coverage	Enhance internet connectivity within the institution	Subscription of 50Mps internet coverage by MIGNET
	To beautify the college compound	Relevant documentation for beautification of compound	Undertake activities to beautify the compound	Beautiful compound with well-manicured grounds maintained and front view of building painted

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enhance risk management, disaster preparedness and promotion of environmental sustainability	To strengthen risk management activities	Risk Register and Objectives Register	Prepare risk and objectives register for all departments and sections	Risk Registers and Objective Registers prepared
		Corruption and Risk Assessment Report	Prepare a corruption and risk assessment report	Corruption and Risk Assessment Reports prepared
	To strengthen environmental protection programmes	Tree Nursery	Construct a tree nursery	Tree nursery established with many varieties of trees
			Participate in the quarterly national tree planting days	1000 trees planted and 2200 trees donated during national tree planting days

**refers to objectives also in the performance contract*

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8. Corporate Governance Statement

We believe in good corporate governance as an institution. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction.

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on 28th March 2024.

Board meetings are held periodically and as and when the need arises. The College ensures that it provides the necessary resources and expertise to the Board to assist it in their decision-making. The Ministry of Education is also regularly consulted on key policy matters.

General Responsibilities

The Board has a duty to the people of Kenya to ensure that Kakrao Technical and Vocational College achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant Acts of Parliament and all Ministry directives and guidelines issued from time to time.

The statutory functions of the Board include:

Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET Act 2013;

- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law;
- Administering and managing the property of the institution;
- Developing and implementing Kakrao Technical and Vocational College Strategic Plan
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, requests or other moneys and to make disbursement to the institution or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013;
- Mobilizing resources for the institution;
- Developing and reviewing programmes for training and to make representations there on to TVETA Authority Board;
- Regulating the admission and exclusion of students from the institution, subject to a qualification's framework and the provisions of TVET Act 2013;
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board;
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board;
- Making regulations governing organization and conduct and discipline of staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVETA Board;

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

- Providing for the welfare of the students and staff of the institution.
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

Risk Management and Internal Controls

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The Risk Management Policies are established to identify and analyse the risks faced by the institution and to set appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently, the institution identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The Institution has in place a system of internal controls with defined operating procedures, financial and operational controls to ensure that resources are safeguarded, transactions authorised, validated and reported in line with International Public-Sector Accounting Standards.

Conflicts of interest

All Board members are under a duty to avoid any conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the institution's business.

The Board has established robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Compliance

The Board confirms that it is satisfied that the though the institution currently has inadequate resources it can continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal Act, 2015
- IPSAS standards.
- Mwongozo
- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

Kakrao Technical and Vocational College also has internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are inter alia; Financial Management Policy, Procurement Policy, and Academic Policy.

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BOARD ATTENDANCE REGISTERS

The tables below show the attendance of Kakrao Technical and Vocational College Board Members in various meetings throughout the year

KAKRAO TVC BOARD OF GOVERNORS MEETINGS ATTENDANCE LIST

No.	NAME	DESIGNATION	Q1	SPECIAL	Q2	SPECIAL	Q3	Q4
			Date: 14/10/024	Date: 4/12/024	Date: 10/1/025	Date: 30/1/025	Date: 11/4/025	Date: 11/7/025
1	KENNETH OTIENO MAUKO	CHAIRPERSON	✓	✓	✓	✓	✓	✓
2	Dr. CAROLYNE A. ODERA	MEMBER	✓	X	✓	✓	✓	✓
3	CPA MARY KOKO OUMA	MEMBER	✓	✓	✓	✓	✓	✓
4	CALEB J. MIYAWA	MEMBER	✓	✓	✓	✓	✓	✓
5	OLIVIA ALUOCH ODONGO	MEMBER	✓	✓	✓	✓	✓	✓
6	ARCH CHARLES J O ANDALA	MEMBER	✓	✓	✓	✓	✓	✓
7	VIVIAN K. RATEMO	MEMBER	✓	✓	✓	✓	✓	✓
8	Dr. JOHN OSORO	PS REPRESENTATIVE	✓	✓	✓	✓	X	X
9	Mr. HANDISON GICHANA	PS REPRESENTATIVE	X	X	X	X	X	X
10	P. Eng. Tech. FB ODHIAMBO	SECRETARY BoG / PRINCIPAL	✓	✓	✓	✓	✓	✓

KAKRAO TVC BOARD OF GOVERNORS ERTHR COMMITTEE MEETINGS ATTENDANCE LIST

No.	NAME	DESIGNATION	Q1	Q2	Q3	Q4
			2/10/024	04/01/025	04/04/025	4/07/025
1	Dr. CAROLYNE A ODFRA	CHAIR	✓	✓	✓	✓
2	ARCH. CHARLES J. O ANDALA	MEMBER	✓	✓	✓	✓
3	CALEB J MIYAWA	MEMBER	✓	✓	✓	✓
4	Dr. JOHN OSORO	PS REPRESENTATIVE	✓	✓	X	X
5	Mr. HANDISON GIOCHANA	PS REPRESENTATIVE	X	X	✓	✓
6	P. Eng. Tech. FB ODHIAMBO	SECRETARY BoG / PRINCIPAL	✓	✓	✓	✓

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KAKRAO TVC BOARD OF GOVERNORS AFIP COMMITTEE MEETING ATTENDANCE LIST

No.	NAME	DESIGNATION	Q1 9/10/024	Q2 7/1/025	Q3 08/04/025	Q4 07/07/025
1	ARCH CHARLES J O ANDALA	CHAIR	✓	✓	✓	✓
2	Dr CAROLINE A ODERA	MEMBER	✓	✓	✓	✓
3	OLIVIAH ALUOCH ODONGO	MEMBER	✓	✓	✓	✓
4	Dr JOHN OSORO	PS REPRESENTATIVE	✓	✓	X	X
5	Mr HANDISON GICHANA	PS REPRESENTATIVE	X	X	✓	✓
6	P Eng Tech F B ODHIAMBO	BOG SECRETARY	✓	✓	✓	✓

KAKRAO TVC BOARD OF GOVERNORS ARMC COMMITTEE MEETING ATTENDANCE LIST

No.	NAME	DESIGNATION	Q1 4/10/025	SPECIAL 27/11/024	Q2 10/1/025	Q3 10/04/025	Q4 9/07/025
1	CPA MARY KOKO OUMA	CHAIR	✓	✓	✓	✓	✓
2	VIVIAN K RATEMO	MEMBER	✓	✓	✓	✓	✓
3	CALFB J MIYAWA	MEMBER	✓	✓	✓	✓	✓
4	CPA CAL FAX NYANYUKI	AUDIT SECRETARY	✓	X	X	X	X
5	CPA HERBERT NGAIRA	AUDIT SECRETARY	X	✓	✓	✓	✓

As mentioned earlier, the Board held its first meeting at inauguration date. Subsequently, it has approved the following board governance documents;

- Board Charter
- Board Terms of Reference
- Board Appraisal
- Board members individual self-appraisal
- AFIP Committee Terms of Reference
- ERTHR Committee Terms of Reference
- Board Work Plan
- Audit charter.

All other activities of the Board are as governed and directed by the TVET Act 2013, other relevant acts of Parliament and government directives and guidelines issued from time to time.

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9. Management Discussion and Analysis

INTRODUCTION

This discussion and analysis provide an overview of the results of activities and financial position of Kakrao Technical and Vocational College. Being the fourth financial year of operation, comparative information is available. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow.

FINANCIAL HIGHLIGHTS

Revenue

Kakrao Technical and Vocational College's revenue during the period stood at Kshs.85,029,931 as compared to Kshs.58,188,812 of previous year. There is a significant rise in the revenue collection. There is increase in arrears to kshs.44,542,538 compared to previous year kshs.11,159,587. This is due to non-disbursement of scholarship, capitation and HELB.

Expenditure

Total expenditure during the period stood at Ksh.52,300,865 as compared to Kshs.51,858,780 of previous financial year.

It should be noted that employee costs stood at kshs.10,537,421 of total costs. This is below the recommended ceiling of 30%.

The board expenses stood at kshs.1,835,210 for the board meeting, chairman honoraria and BoG training.

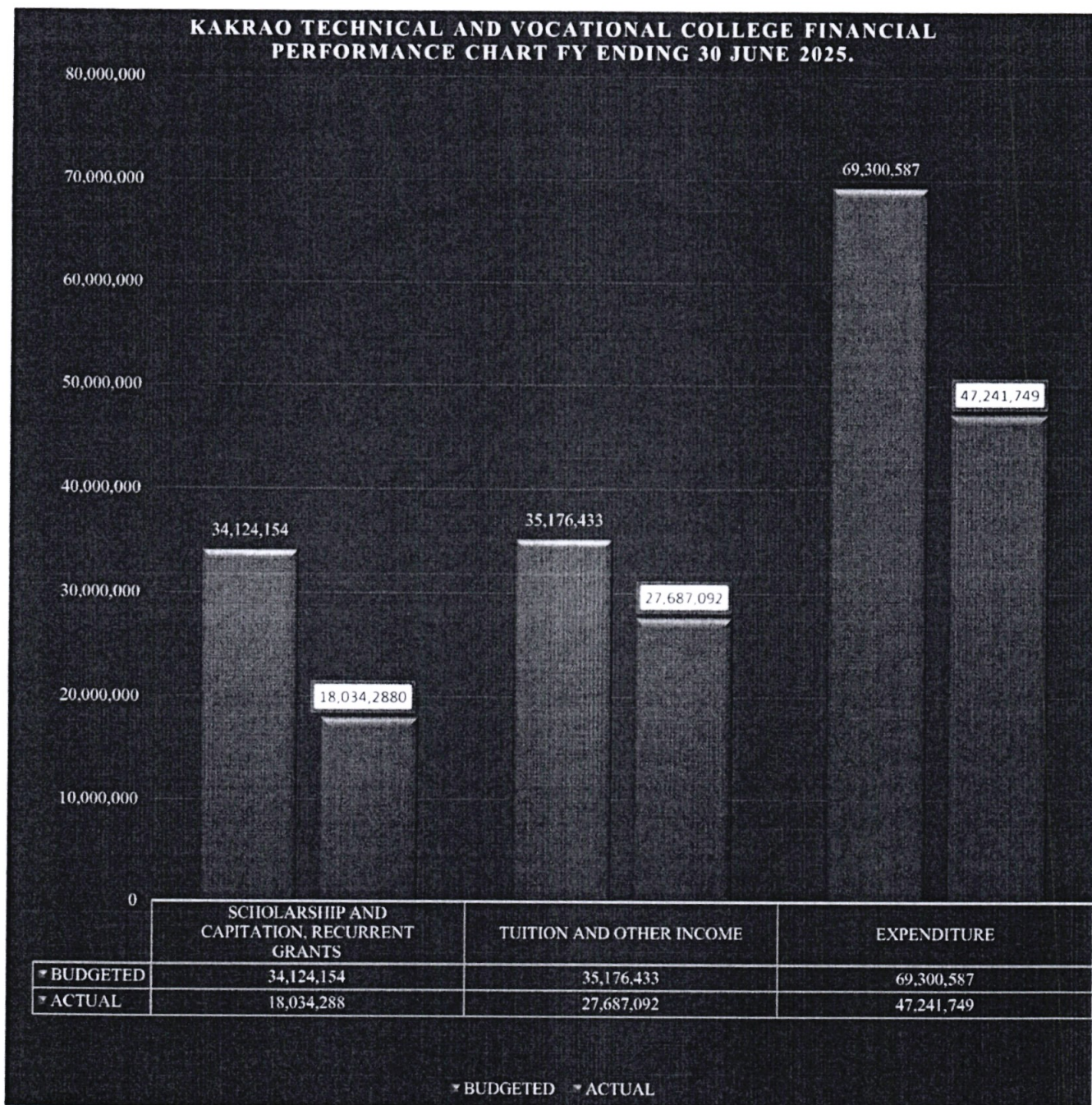
Use of goods and services is at kshs.33,284,619 spent on teaching and learning materials, industrial liaison, security, internet subscription, examination fee, travelling and accommodation, hospitality services, printing and stationery, activity, capacity building while Repairs Maintenance and Improvements cost of kshs.541,750 total expenditure. This comprises basically of expenses incurred to operationalize the College. The college incurred depreciation expense of kshs.6,046,864.

There were no projects done during the year ended June 2024/2025. It is worth noting that due to lack of adequate machinery, trainers have not carried out adequate practical lessons.

The College has also internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled. The College faces a high level of competing interests for resources. There is a high level of competition for trainees in the College catchment area from other public and private TVET Colleges within the region.

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The College financial assets comprise of receivables, cash and short-term deposits which arise



directly from its operations. The financial liabilities comprise of payables including a loan taken from the mentor institution. The College is therefore exposed to both liquidity risks and credit risks.

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Liquidity Risk

This is the risk that the College will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The College's approach managing liquidity is to ensure as far as possible, that there is always sufficient liquidity to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the College's reputation. Typically, the College ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days including the servicing of financial obligations. This however does not include the potential impact of extreme circumstances that cannot be reasonably predicted such as political violence. All liquidity policies and procedures are subject to review and approval by the Board. It is very important to note that the College faces a liquidity risk of non-receipt of capitation grants from GoK which may prevent it from meeting its financial obligations as and when they fall due.

Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The College has a policy on fee payment which defines how and when fees are supposed to be paid. This minimizes the credit risk exposure.

It important to note that the College is envisaged that this will greatly improve its operational efficiency.

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10. Environmental and Sustainability Reporting Statement

Kakrao Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational excellence.

Sustainability Strategy and Profile

The College's approach to sustainability is based on the College mission to expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The College will also sign an MOU with at least two industry players to among others enhance its capability to generate income in collaboration with industry.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

Research and innovation are an important component of sustainability. In the FY 2024/2025 budget estimates, significant amount in Kakrao TVC annual budget, has been allocated for research and innovation activities.

As mentioned earlier, in the FY 2024/2025, the College in its approved annual work plan, under the performance contract guidelines, has committed to developing partnerships and linkages with industry to provide learning opportunities for trainees, applied research opportunities for trainers and benefit to community.

Our physical facilities include halls and grounds serve the community. Sports facilities especially the fields are open for use by the community on arrangement but free of any charges.

We will continue to engage with key stakeholders to achieve sustainability strategies in line with international best practice

Environmental Performance

Kakrao Technical and Vocational College strives to be a responsible business representing the highest standards of ethics and professionalism. We have reviewed the global best practice guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that Kakrao Technical and Vocational College is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and pro-activeness. Kakrao Technical and Vocational College, compliance refers to our commitment to upholding all legal requirements, and our willingness to observe, acknowledge, and respect community values and laws.

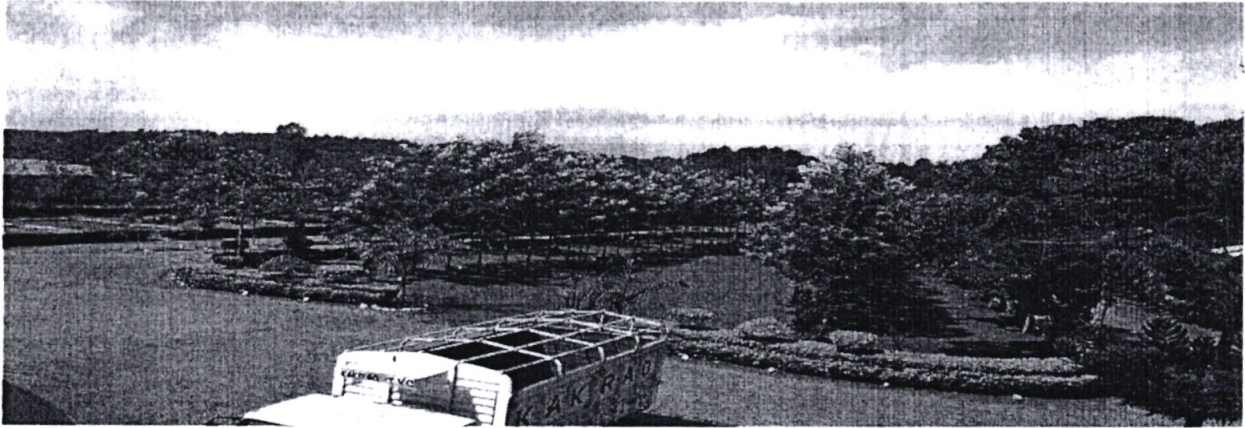
Our pro-activeness is manifested by emphasizing and recognizing human rights locally and globally, and actively engaging with our communities through volunteering, community service, pro-bono service, and philanthropy, while always protecting and respecting our natural environment through our actions and policies. This can be seen in the way the College engaged in tree planting within the compound to improve the environment.

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Hon. Junet Mohamud Suna East MP touring the school during his visit to the Institution.

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The green serene of KTVC



Ktvc fraternity after receiving trophy from Drama Festival

As an institution, we implement policies and take action to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can ultimately be better together. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, mental or physical disability, ancestry, sexual orientation, gender idCollege or expression, marital status, source of income, parental status, housing status, or other protected status. We strongly encourage women, youth, persons with disabilities, and members of the community to join the institution and live our shared values. Kakrao Technical and Vocational College will always:

- Respect and uphold applicable local, county, and national laws to the best of our abilities
- Honour and review all internal policies for complete and responsible implementation

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- Ensure that all business transactions and relationships are legitimate, free of influence and bribery
- Keep all partnerships and collaborations transparent and open
- Recognize that privacy is a fundamental right, and we will comply with all privacy laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Kakrao Technical and Vocational College values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will always follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certification and other environmentally sustainable best practices.

Employee Welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the Kakrao Technical and Vocational College are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

Kakrao Technical and Vocational College respects all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our employees at all times, recognizing that the success of Kakrao Technical and Vocational College is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will always ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights of all people, involved in our business. Kakrao Technical and Vocational College is dedicated to protecting human rights. We practice and commit to equal opportunity employment and will always abide by fair labour practices. Additionally, Kakrao Technical and Vocational College will ensure that our activities do not directly or indirectly violate human rights in any way.

Market Place Practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. These are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees. This commitment extends beyond the employee base to the highest levels of ownership and the administrative team.

We believe successfully inclusive workplaces begin with thoughtful hiring and recruiting processes that reduce subconscious bias in candidate selection and increase the overall diversity of our workforce. We employ industry-leading methodologies, processes, and technology to attract diverse talent pools, counteract bias, and match the best talent to the needs of our clients. Our methodology includes publishing gender neutral job descriptions. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex,

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age, religion, national origin, disability status, sexual orientation, source of income, parental status, housing status, or other protected status. And to help foster the most inclusive climate possible, we will provide ongoing diversity and inclusion training to all employees, not just our management teams. We believe this is the only way to truly shape a more safe, open, and productive work environment at all levels of our training.

It is a commitment to continual learning, improvement, and action to do our part in stewarding a future of work that is beneficial and equitable for all.

Kakrao Technical and Vocational College has a qualified supply chain manager who participates appropriately according to procurement standards thus ensuring that the procurement process has a smooth flow. The supplier and supply chain relation are perfectly respectable by having prompt communication to avoid misunderstanding between them thus supply of quality goods. Product stewardship is enhanced by safeguarding consumer rights and interests.

As part of our procurement policy, we expect all of our suppliers to abide by the same principles and codes of conduct that we have in place. Accordingly, our suppliers must either agree to adhere to our policies and codes or confirm their adherence to their own codes of business conduct that comprise the same principles. We will be implementing a “right to audit” clause in our standard terms or conditions to allow for oversight of compliance with these provisions.

We believe that our commitment to sustainability and ethics extends beyond our own work capabilities and should include the decisions we make as a company about the partners we align with, and the products and services we buy. Our purchasing policy takes sustainability and ethical sourcing into consideration throughout all stages of the buying cycle, and we encourage our teams to support local and small businesses and support local economies. We encourage our purchasing teams to consider ethical sourcing and sustainability across all purchases. Kakrao Technical and Vocational College expects our suppliers to treat workers and employees with respect and fairness, to have suitable procedures in place, and to act in accordance with applicable laws.

Community Engagements

As noted in our mission statement, Kakrao Technical and Vocational College recognizes an expectation to have a positive impact on our community, and we promote this expectation through philanthropy, pro-bono service work, volunteering, and community service.

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

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2025 which show the state of Kakrao Technical and Vocational College's affairs.

Principal activities

The principal activities of Kakrao Technical and Vocational College are to provide training in technical and vocational skills, research, innovation and management services. In addition, the College participates in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results

The results of Kakrao Technical and Vocational College for the year ended June 30th 2025 are set out on pages 1-6

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page xxviii to xxix

Auditors

The Auditor General is responsible for the statutory audit of Kakrao 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



.....
Secretary to the Board

Date: 11/07/2025

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

12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of Kakrao Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of Kakrao Technical and Vocational College for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;

(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Kakrao Technical and Vocational College;

(iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;

(iv) safeguarding the assets of Kakrao Technical and Vocational College;

(v) selecting and applying appropriate accounting policies; and


(vi) making accounting estimates that are reasonable in the circumstances.

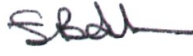
The Board members accept responsibility for Kakrao Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards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

Kakrao Technical and Vocational College financial statements were approved by the Board on **11/07/2025** and signed on its behalf by:


Chairperson of the Board
Kenneth Otieno Mauko


Accounting Officer/Principal
F B Odhiambo

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAKRAO 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 Kakrao Technical and Vocational College set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

Report of the Auditor General on Kakrao Technical and Vocational College for the Year Ended 30 June, 2025

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 Kakrao Technical and Vocational College as at 30 June 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

- i. The statement of financial performance, and as disclosed in Note 10 to the financial statements, reflects use of goods and services amount of Kshs.33,284,619, while the supporting general ledger provided for audit indicated a corresponding amount of Kshs.31,942,369, resulting in an unreconciled variance of Kshs.1,342,250.
- ii. The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.44,542,538 which differs with the re-computed balance of Kshs.50,122,319 (calculated as shown below), resulting in an unreconciled variance of negative Kshs.5,579,781:

Particulars	Amount (Kshs.)
Receivables from exchange transactions balance as at 30 June, 2024	11,159,587
Add: Rendering of services - fees from students earned in 2024/2025– Statement of financial performance	66,587,603
Less: Rendering of services - fees from students received in 2024/2025 - Statement of cash flows	(27,624,871)
Re-Computed current portion of receivables from exchange transactions balance as at 30 June, 2025	50,122,319

- iii. Similarly, the statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.9,357,113 which differs with the re-computed balance of Kshs.5,804,642 (calculated as shown below), resulting in a variance of Kshs.3,552,471 which was not reconciled:

Particulars	Amount (Kshs.)
Trade and other payables balance as at 30 June, 2024 - Statement of financial position	5,400,986
Add: Total expenses incurred in 2024/2025 less depreciation- Statement of financial performance	46,199,001
Less: Total payments made in 2024/2025 - Statement of cash flows	(45,795,345)
Re-Computed trade and other payables as at 30 June, 2025	5,804,642

- iv. The statement of comparison of budget and actual amounts does not reflect budget carryovers from the previous year amount of Kshs.2,536,569 under Adjustments and Actual on Comparable Basis columns as required by the prescribed reporting template. Further, the statement reflects, in the last column, utilization percentages (%) instead of utilization difference percentages (%) as required by the reporting template.

In the circumstances, the accuracy and fair presentation of the financial statements could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.44,542,538 which, as disclosed under Note 16 (b) to the financial statements, includes receivables amounting to Kshs.5,518,356 that had been outstanding for over one (1) year. In addition, the student debtors increased by 306% during the year under review, an indication of poor fees arrears collection strategy. In the circumstance, the accuracy, and recoverability of receivables from exchange transactions balance of Kshs.44,542,538 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kakrao 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 total budgeted revenue and actual on comparable basis amounts of Kshs.69,300,587 and Kshs.45,721,389 respectively, resulting in underfunding of Kshs.23,579,198 or 30% of the budget.

The under-funding affected the planned activities and may have impacted negatively on learning in 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 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 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 matters detailed in **Appendix 1** which remained unresolved.

Other Information

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

In connection with my audit of 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. Failure to Register Trainers

During the year under review, it was noted that the College contracted forty-one (41) trainers. However, the personnel records showed that thirty-nine (39) of the trainers were not registered by Technical and Vocational Education and Training Board, contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013, which states that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of this Act.

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

2. Lack of License from Technical and Vocational Educational Training Authority (TVETA)

During the year under review, the College operated without a license from the Technical and Vocational Educational Training Authority (TVETA), contrary to Section 17(1) and (2) of the Technical and Vocational Educational Training Act, 2013, which gives TVETA the mandate of setting license conditions and accrediting Technical and Vocational Education training Institutions. Although, the Management stated it is in process of registration, the College was yet to be registered because of incomplete block buildings and inadequate furniture, equipment and machinery.

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

3. Non-Compliance with Law on Ethnic Composition in Staffing

Review of the employees' records revealed that sixty-eight (68) out of ninety-four (94) or 73% of the Hospital's employees were from the same ethnic community, contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

4. Under Payment of staff

Review of the payroll for the month of June, 2025 revealed that forty-seven (47) employees were earning a monthly pay of less than Kshs.14,025. This was in contrary to Regulation of Wages General Amendment Order of May, 2022 which sets the minimum monthly pay for employees working in Migori at Kshs.14,025.40.

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

5. Long Outstanding Accounts payable

The statement of financial position reflects trade and other payables balance of Kshs.9,322,284 as disclosed in Note 21 to the financial statement. Review of the supporting documentation revealed that Kshs.2,935,803 of the balance had been

outstanding for more than 120 days. In addition, the College had not established a payment plan or maintained correspondences specifying when these invoices will be settled. It was also noted that the payables had increased from Kshs.5,400,986 to Kshs.9,322,284 a 58% increase, which exposes the College to a potential legal dispute in the event of non-payment.

In the circumstance, 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Board of Governors

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

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

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

APPENDICES

Appendix 1: Unresolved Prior Year Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unconfirmed Rendering of Services-Fees from Students Amount
3	2023/2024	Unconfirmed Cash and Cash Equivalents
4	2023/2024	Unconfirmed Receivables from Exchange Transactions
5	2023/2024	Non-compliance with the Prescribed Reporting Framework
6	2023/2024	Budgetary Control and Performance
7	2023/2024	Failure to Register Trainers
8	2023/2024	Failure to Approve Budget
9	2023/2024	Lack of License from Technical and Vocational Educational Training Authority (TVETA)
10	2023/2024	Non-Compliance with Law on Ethnic Composition in Staffing
11	2023/2024	Idle Flour Milling Machine
12	2023/2024	Long Outstanding Accounts payable
13	2023/2024	Lack of a Risk Management Policy and Framework
14	2023/2024	Lack of Internal Audit Function
15	2023/2024	Lack of Staff Establishment
16	2023/2024	Integrity of Payroll Data

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

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

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	18,034,288	20,361,178
Transfer from Suna East NGCDF	7	-	-
		18,034,288	20,361,178
Revenue from Exchange transactions			
Rendering of services- fees from students	8	66,587,603	37,012,684
Other income	9	408,040	814,950
Revenue from Exchange transactions		66,995,643	37,827,634
Total Revenue		85,029,931	58,188,812
Expenses			
Use of goods and services	10	33,284,619	31,707,943
Employee costs	11	10,537,421	10,941,046
Board Expenses	12	1,835,210	657,736
Depreciation and amortization expense	13	6,101,864	6,492,280
Repairs, maintenance and Improvement	14	541,750	2,059,775
Total Expenses		52,300,865	51,858,780
Net surplus/(deficit) for the year		32,729,066	6,330,032

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

The Financial Statements set out on pages 1 to 33 were signed by:


Kenneth Otieno Mauko

Chairman of Board

Date 11/07/2025



F B Odhiambo

Principal

Date 11/07/2025



Aluoch Norah

Finance Officer


Date 11/07/2025

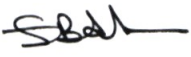
KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	1,077,659	2,536,569
Current portion of receivables from exchange transactions	16	44,542,538	11,159,587
Inventories	17	6,181,733	3,720,580
Total Current Assets		51,801,930	17,416,736
Non-Current Assets			
Property, plant, and equipment	18	89,286,225	87,025,197
Portable and Attractive Items	18	87,100	-
Intangible assets	19	48,000	-
Biological Assets	20	11,700	-
Total Non-Current Assets		89,433,025	87,025,197
Total Assets (A)		141,234,955	104,441,933
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	21	9,357,113	5,400,986
Refundable deposits from customers	22	107,829	-
Total Current Liabilities		9,464,942	5,400,986
Non-Current Liabilities			
Total non-current liabilities		-	-
Total Liabilities (B)		9,464,942	5,400,986
Net Assets (A-B)		131,770,013	99,040,947
Represented By:			
Revaluation Reserves	23	83,711,230	83,711,230
Accumulated Surplus	23	48,058,783	15,329,717
Net Assets		131,770,013	99,040,947

The Financial Statements set out on pages 1 to 33 were signed by:


Chairman of Board
Kenneth Otieno Mauko
Date 11/7/2025


Principal
F B Odhiambo
Date 11/07/2025


Finance Officer
Aluoch Norah
Date 11/7/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	68,826,975	8,999,685	-	77,826,660
Revaluation gain	14,884,255	-	-	14,884,255
Surplus/(deficit) for the year	-	6,330,032	-	6,330,032
At June 30, 2024	83,711,230	15,329,717	-	99,040,947
At July 1, 2024	83,711,230	15,329,717	-	99,040,947
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	32,729,066	-	32,729,066
At June 30, 2025	83,711,230	48,058,783	-	131,770,013

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	18,034,288	20,361,678
Transfers from other levels of government	7	0	
Rendering of services- fees from students	8	27,624,871	24,800,045
Sale of goods	9	123,680	814,950
Total Receipts		45,782,839	45,976,673
Payments			
Use of goods and services	10	32,208,940	29,354,532
Employee costs	11	10,507,229	10,941,046
Board /Council Expenses	12	1,625,960	657,736
Repairs and maintenance	14	1,453,216	1,821,665
Total Payments		45,795,345	42,774,979
Net Cash Flows from operating activities	24	-12,506	3,201,694
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	-1,446,404	-4,172,930
Net cash flows used in investing activities		-1,446,404	-4,172,930
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		-1,458,910	-971,236
Cash and Cash equivalents at 1 JULY	15	2,536,569	3,507,805
Cash and Cash equivalents at 30 JUNE	15	1,077,659	2,536,569

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	e=(a+b)	d	e=(e-d)	f=d/c*100
Budget carryovers from the previous year			2,536,569			
Receipts						
Transfers from other National Government entities	29,790,000	4,334,154	34,124,154	18,034,288	16,089,866	52.85
Rendering of services- fees from students	33,662,424	1,014,009	34,676,433	27,563,421	7,113,012	79.49
Other income	500,000.00	-	500,000	123,680	376,320	24.74
Total Receipts	63,452,424	5,348,163	69,300,587	45,721,389	23,579,198	69.52
Payments						
Use of goods and services	48,399,527	(1,507,288)	47,392,239	32,208,940	15,183,299	67.96
Employee costs	7,741,805	5,332,889	13,074,694	10,507,229	2,567,465	80.36
Board Expenses	1,003,000	1,424,507	2,427,507	1,625,960	801,547	66.98
Repairs and maintenance	2,225,095	98,055	2,323,150	1,453,216	869,934	62.55
Total Expenditure Payments	59,369,427	5,348,163	65,217,590	45,795,345	19,422,245	70.22
Capital Expenditure Payments	4,082,997		4,082,997	1,446,404	2,636,593	35.43
Deficit/Surplus	-	-	-	(1,520,360)	1,520,360	

Budget notes

1. There was a deficit in the general performance both in revenue collection and expenditure by the indicated percentage in comparison to the budget due to underfunding from the national government in form of capitation and scholarship.

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2. Fee collection from the self-sponsored students is also a challenge since most of our students come from poor background and mostly rely on HELB loans and other bursaries
3. There was change in the budget due to increase in number of students.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual deficit/Surplus Amounts as per the statement of Budget	(1,520,360)
1	BOG cost previous year payment	231,750.
2	Use of goods previous year payment	1,086,342.
3	Production unit non-financial	109,230
4	Employee cost previous year payment	138,068
5	RMI previous year payment	1,032,629
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,077,659

19. Notes to the Financial Statements

1. General Information

Kakrao Technical and Vocational College is established by and derives its authority and accountability from TVETA Act 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is to offer technical 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 accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the 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 our financial policies and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
<p>IPSAS 43: Leases</p>	<p>Applicable on 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 cashflows of the college.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable on 1st January 2025</p> <p>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.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable on 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>
<p>IPSAS 46: Measurement</p>	<p>Applicable on 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.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable on 1st January 2026</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 College 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>Applicable on 1st January 2026</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>Applicable on 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable on 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the College's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

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 College 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 College 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 College.

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 Regional Director TVET on 14th February and ratified by the Full BoG 28th March 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 college upon receiving the respective approvals to conclude the final budget. Accordingly, the college recorded additional appropriations of **ksh.5,348,163** on the FY 2024/2025 budget following the Board's approval. The college budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The Kakrao TVC is exempt from paying taxes as per schedule six (6) of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 College 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 College. 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 College 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 College 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 College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) **Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the college financial statements.* A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College 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 College 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 College'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 College 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 College 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 College 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 College 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 College recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL)

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories

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.

l) 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The college 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 College will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) 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.

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

Foreign currency transactions

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

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 *College* with the ability to exert control individually or jointly or to exercise significant influence over the *College*, 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 imp rests 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 KTVC 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 College 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 College. 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 *College*.
- 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.

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.

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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation / Scholarship Grants	18,034,288	20,361,678
Total Government Grants and Subsidies	18,034,288	20,361,678

(a) Transfers from other Government entities (Categorized)

Name of the College 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 2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	18,034,288	-	-	18,034,288	20,361,678
Total	18,034,288			18,034,288	20,361,678

7. Transfer From Other Levels Of Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Other levels of Government	-	-
Total Grants	-	-

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8. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	32,772,249	16,726,909
Activity Fees	4,062,100	1,044,061
Industrial Attachment Fees	156,717	992,801
Examination Fees	5,773,135	3,738,705
Library Fees	254,778	724,602
Personal Emoluments	8,310,827	3,748,705
Registration Fees/administrative costs	874,022	2,278,073
Local transport and traveling	5,161,344	2,278,110
Repair, maintenance and improvement	3,086,259	2,389,745
Electricity, water and conservancy	4,244,505	492,101
Development	12,689	1,940,240
Student organisation	928,577	200,194
Caution	688,641	-
Medical	16,960	708,920
Imp rest repayable	244,800	-
Total Revenue from The Rendering of Services	66,587,603	37,012,684

The revenues are on accrual basis and actual cash inflow is kshs.27,563,421

9. Other incomes

Description	2024/2025	2023/2024
	Kshs	Kshs
Sale of lecture chairs to Rachuonyo TVC	-	800,000
Sale of Tender	47,000	-
Sale of Farm Produce	76,680	14,950
Driving course	284,360	-
Total Revenue from Sale of Goods	408,040	814,950

Expected revenue from driving course kshs.103,680, direct deduction from salaries kshs.89,230, student prepayment kshs.20,000 and actual cash inflow from other incomes kshs.185,130

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10. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching and learning materials	8,942,710	9,438,142
Industrial attachment costs	227,991	275,068
Electricity	164,480	392,525
Water	-	30,000
Security	1,205,500	943,580
Postages	11,165	8,625
Subscriptions	841,000	946,310
Advertising	923,47	1,856,702
Examination fees	4,912,230	3,258,140
Audit fees	207,200	-
Staffs facilitation and extraneous Allowances	-	207,300
Travelling and accommodation	3,510,100	5,012,550
Fuel and oil	203,160	371,027
Cleaning expenses	153,070	144,712
Legal expenses	19,550	-
Hospitality services	2,924,208	655,093
Airtime expenses	200,000	170,000
Printing and stationery	1,667,694	941,274
Hire charges	145,800	480,000
Rent expenses	143,500	-
Medical	98,960	56,883
Landscaping	401,570	93,280
Activity	3,301,500	1,900,920
Training/ capacity building expenses	2,388,820	100,000
Other (<i>offset</i>)	-	3,638,038
Student organisation	318,130	283,614
Bank charges	51,198	16,260
Production unit	291,110	487,900
Refund	30,500	-
Total good and services	33,284,619	31,707,943

Expenditures are on accrual basis actual cash outflow is kshs.32,208,940.

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11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	8,086,607	8,345,913
Employee related costs - contributions to pensions and medical aids	2,450,814	1,535,333
Housing benefits and allowances	-	151,500
Overtime payments	-	126,700
Social contributions	-	781,600
Employee Costs	10,537,421	10,941,046

Actual cash outflow kshs.10,507,229

12. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	78,250	29,250
Directors Emoluments	1,089,000	-
Other Allowances (BoG training)	667,960	628,486
Total	1,835,210	657,736

There was KTVC BoG training costing kshs.667,960, actual cash outflow kshs. 1,625,960

13. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	6,089,864	6,686,835
Intangible assets	12,000	-
Total depreciation and amortization	6,101,864	6,686,835

There is a reduction in depreciation due to reclassification of part of building to work in progress.

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14. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Equipment and machinery, furniture and fittings, computer and accessories	-	2,389,745
Property	47,650	-
Equipment and machinery	103,220	-
Vehicles	21,190	-
Furniture and fittings	245,040	-
Computers and accessories	124,650	-
Total Repairs and Maintenance	541,750	2,389,745

Actual cash outflow FY 24/25 is kshs.372,560 and FY 23/24 creditors kshs.1,080,656. Total being kshs.1,453,216

15. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	1,069,709	2,536,569
Cash in hand	7,950	-
Total Cash and Cash Equivalents	1,077,659	2,536,569

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1286097657	71,437	1,717,611
Cooperative Bank of Kenya	01141809820300	998,272	818,958
Sub- Total		1,069,709	2,536,569
b) Others (Specify)			
Cash in Hand		7,950.00	-
Sub- Total		7,950.00	-
Grand Total		1,077,659	2,536,569

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16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	44,438,858	10,936,286
Driving Debtors	103,680	128,690
Total Current Receivables	44,542,538	11,064,976

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs	% of total	Kshs	% of total
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	39,024,182	87.62	5,000,320	45.19
Between 1- 2 years	1,329,565	3.00	3,070,812	27.75
Between 2-3 years	3,353,593	7.53	2,370,844	21.43
Over 3 years	835,198	1.87	623,000	5.63
Total	44,542,538	100	11,064,976	100%

17. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable stores	5,973,343	3,720,580
Maintenance stores	208,390	-
Total Inventories at lower of Cost and Net Realizable Value	6,181,733	3,720,580

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18. Property, Plant and Equipment

Cost	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Plant and equipment	Office (office equipment)	Other (Library, Books, Kitchen wares, Other storage facilities)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	2.5%	12.5%	12.5%	12.5%	33.3%	20%	12.5%	5%	12.5%	10%
At 1 July 2023	7,700,000	58,000,000	-	2,530,000	1,903,500	4,565,974	1,370,000	601,773	344,000	1,281,416
Additions	-	1,626,343	-	424,731	234,400	-	212,000	-	-	1,019,286
Adjustments	-	-150,000	-	-	-	-	-	-	-	150,000
Revaluation	2,300,000	-26,343	10,350,000	-826,868	2,907,100	1,053,586	-873,220	0	0	14,884,255
At 30th June 2024	10,000,000	59,450,000	10,350,000	2,127,863	5,045,000	5,619,560	708,780	601,773	344,000	2,450,702
Additions	0	0	0	389,700	203,348	615,620	86,000	0	0	1,517,368
Adjustments	-	681,100	700,000	1,646,314	1,407,146	823,540	267,760	-	942,000	6,467,860
Transfer	-	-57,681,100	-2,650,000	-	-	2,650,000	-	-	-	57,681,100
At 30th June 2025	10,000,000	2,450,000	8,400,000	4,163,877	6,655,494	9,708,720	1,062,540	601,773	344,000	942,000
Depreciation And Impairment										
At 1 July 2023	-	1,479,629	-	407,016	691,056	1,328,460	184,706	51,734	43,000	-
Depreciation	-	1,408,601	2,587,500	162,015	1,371,808	858,220	39,009	27,502	37,625	-
At 30 June 2024	-	2,888,230	2,587,500	569,031	2,062,864	2,186,680	223,715	79,236	80,625	-
Depreciation	-	61,250	1,050,000	520,485	2,216,280	1,941,744	132,818	30,089	43,000	94,200
Transfer	-	-1,442,028	-331,250	-	-	331,250	-	-	-	1,442,028
At 30th June 2025	-	1,507,452	3,306,250	1,089,516	4,279,144	4,459,674	356,533	109,325	123,625	94,200
Net Book Values										
At 30th Jun 2024	10,000,000	56,561,770	7,762,500	1,558,833	2,982,136	3,432,880	485,065	522,537	263,375	2,450,702
At 30th Jun 2025	10,000,000	942,548	5,093,750	3,074,361	2,376,350	5,249,046	706,008	492,448	220,375	847,800

NOTE: There was a reclassification of kshs.57,681,100 part of building to work in progress as it is incomplete. Work in progress costs accumulation of tuition block, workshop shade and security sentry box costs. Biological assets during the period amounted to kshs.11,700 and portable and attractive items at kshs.87,100. This is an increase from the revaluation for last financial year kshs.5,400 and kshs.58,000 respectively.

KAKRAO 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 identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued during the period ended 30th June, 2025

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
Land	10,000,000	-	10,000,000
Buildings	2,450,000	1,507,452	942,548
Plant And Machinery	9,708,720	4,459,674	5,249,046
Motor Vehicles including Motorcycles	8,400,000	3,306,250	5,093,750
Computers and Related Equipment	6,655,494	4,279,144	2,376,350
Office Equipment, Furniture, And Fittings	1,062,540	356,533	706,008
Furniture and Fittings	4,163,877	1,089,516	3,074,361
Water storage facilities	942,000	94,200	847,800
Library books	601,773	109,325	492,448
Kitchen wares	344,000	123,625	220,375
Total	44,328,404	15,325,717	29,002,687

19. Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Adjustments	60,000	-
At end of the year	60,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	12,000	-
At end of the year	12,000	-
NBV	48,000	0.00

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE

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20. Biological Assets

	2024/2025	2023/2024
	Kshs	Kshs
Animals: Rabbit	11,700	-
Total	11,700	-

Note: Biological assets for last financial year as per valuation report was at kshs.5,400 which was placed as a disclosure under PPE Schedule

21. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	5,829,088		4,560,225	
Fees paid in advance	3,064,132		840,761	
Kra (housing and Nita levy)	30,192		-	
Audit fees	67,200		-	
AA Kenya	157,250		-	
KTVC BoG cost	209,250		-	
Total Trade and Other Payables	9,357,113		5,400,986	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	8,516,352	100%	5,400,986	100%
1-2 years	840,761	%		-
2-3 years	-	%		-
Over 3 years	-	%		-
Total (to tie to totals above)	9,357,113	100%	5,400,986	100%

22. Refundable Deposits from Customers/Students

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Caution money	107,829		-	
Total Deposits	107,829		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	107,829	100%	-	%
Total (to tie to totals deposits above)	107,829	100%	-	%

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

23. Revaluation reserves and accumulated surplus

Description	Revaluation reserve	Accumulated Fund
At July 1, 2023	68,826,975	8,999,685
Revaluation gain	14,884,255	-
Surplus/(deficit) for the year	-	6,330,032
At June 30, 2024	83,711,230	15,329,717
At July 1, 2024	83,711,230	15,329,717
Revaluation gain	-	-
Surplus/(deficit) for the year	-	32,729,066
At June 30, 2025	83,711,230	48,058,783

24. Cash generated from operations.

Surplus for the year before tax	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ deficit for the year	32,729,066	6,330,032
Adjusted for:		
Depreciation	6,101,864	6,492,280
Working Capital Adjustments	38,830,930	12,822,312
Increase in Inventory	(2461153)	(3,485,379)
Increase in Receivables	(33382951)	(1,521,717)
Increase in Payables	(2,999,332)	(3,575,077)
Net Cash Flow from Operating Activities	(12,506)	3,201,694

25. Financial Risk Management

Kakrao TVC 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 college financial risk management objectives and policies are detailed below:

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE

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

(i) Credit risk

Kakrao TVC 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 College's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs
At 30 June 2024		
Receivables from exchange transactions	11,064,976	11,064,976
Bank balances	2,536,569	2,536,569
Total	13,601,545	13,601,545
At 30 June 2025		
Receivables from exchange transactions	44,542,538	44,542,538
Bank balances	1,088,322	1,088,322
Total	45,630,860	45,630,860

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 College has significant concentration of credit risk on amounts due from
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 College's directors, who have built an appropriate liquidity risk management framework for the management of the College's short, medium and long-term funding and liquidity management requirements. The College manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	4,560,225	-	4,560,225
Deferred Income	-	840,761	-	840,761
Total	-	5,400,986	-	5,400,986
At 30 June 2025				
Trade Payables	562,462	749,671	4,980,847	6,292,980
Deferred Income	-	-	3,074,796	3,074,796
Total	562,462	749,671	8,055,643	9,367,776

(iii) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	83,711,230	83,711,230
Retained Earnings	48,058,783	15,329,717
Capital Reserve	-	-
Total Funds	131,770,013	99,040,947
Total Borrowings		
Less: Cash and Bank Balances	1,088,322	2,536,569
Net Debt/(Excess Cash and Cash Equivalents)	(1,448,247)	(971,236)
Gearing	1.33%	0.01%

26. Related Party Balances**Nature of related party relationships**

Entities and other parties related to the College 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.

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE

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Government of Kenya

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

- i) The National Government;
- ii) Ministry of Education;
- iii) Key management;
- iv) Board of governors

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	18,034,288	20,361,678
Total	18,034,288	20,361,678
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Kakrao Technical and Vocational College Employees	10,537,421	10,941,046
Payments for Goods and Services for Kakrao Technical and Vocational College	33,284,619	28,069,905
Total	43,822,040	39,010,951
c) Key Management Compensation		
Directors' emoluments	1,835,210	657,736
Total	1,835,210	657,736

27. Events After The Reporting Period

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

28. Ultimate And Holding College

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

29. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)				
1	<p>1. 1. Inaccuracies in the Financial Statements</p> <p>The statement of cash flows reflects purchase of property, plant and equipment amount of Kshs.4,172,930, while Note 18 to the financial statements shows additions amount of Kshs.3,516,760, resulting in an unreconciled variance of Kshs.656,170.</p> <p>Further, Note 21 to the financial statements, which purports to reconcile surplus for the year of Kshs.6,330,632 and net cash flows from operating activities amount of Kshs.3,201,694 reported in the statement of financial performance and statement of comparison of budget and actual amounts respectively, reflects working capital adjustments which differ with the re-computed amounts as summarized below:</p> <table border="1" data-bbox="322 1267 1570 1342"> <thead> <tr> <th>Description</th> <th>Reported Amount</th> <th>Re-computed Amount</th> <th>Variance</th> </tr> </thead> </table>	Description	Reported Amount	Re-computed Amount	Variance		Resolved	
Description	Reported Amount	Re-computed Amount	Variance					

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

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)																				
	<table border="1" data-bbox="331 628 1576 823"> <thead> <tr> <th></th> <th>Kshs.</th> <th>Kshs.</th> <th>Kshs.</th> </tr> </thead> <tbody> <tr> <td>Increase/decrease in inventories</td> <td>(4,051,904)</td> <td>(17,181,535)</td> <td>13,129,631</td> </tr> <tr> <td>Increase in receivables</td> <td>(1,710,372)</td> <td>1,427,106</td> <td>(3,137,478)</td> </tr> <tr> <td>Increase in payables</td> <td>(3,858,342)</td> <td>(3,575,077)</td> <td>(283,265)</td> </tr> <tr> <td>Total</td> <td>(9,620,618)</td> <td>(19,329,506)</td> <td>9,708,888</td> </tr> </tbody> </table> <p data-bbox="331 858 1576 927">In the circumstances, the accuracy and fair presentation of the financial statements could not be confirmed.</p>		Kshs.	Kshs.	Kshs.	Increase/decrease in inventories	(4,051,904)	(17,181,535)	13,129,631	Increase in receivables	(1,710,372)	1,427,106	(3,137,478)	Increase in payables	(3,858,342)	(3,575,077)	(283,265)	Total	(9,620,618)	(19,329,506)	9,708,888			
	Kshs.	Kshs.	Kshs.																					
Increase/decrease in inventories	(4,051,904)	(17,181,535)	13,129,631																					
Increase in receivables	(1,710,372)	1,427,106	(3,137,478)																					
Increase in payables	(3,858,342)	(3,575,077)	(283,265)																					
Total	(9,620,618)	(19,329,506)	9,708,888																					
2	<p data-bbox="331 968 1576 1002">2. Unconfirmed Rendering of Services-Fees from Students Amount</p> <p data-bbox="331 1038 1576 1289">The statement of financial performance reflects rendering of services, fees from students amount of Kshs.37,012,684. However, the College used Microsoft Excel to record fees collection, an indication of weak controls for invoicing and collection of fees. The Microsoft Excel sheets lacked audit trail, contrary to Regulation 102(3) of the Public Finance Management (National Government) Regulations, 2015, which states that an Accounting Officer shall satisfy himself or herself that where an alteration of a financial record requires the authorization, approval and, or deletion of any transaction or data whether</p>		Resolved																					

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)
	<p>electronic or manual by any means other than in writing, that there is sufficient audit trail which shall identify the person who approved the transaction.</p> <p>In addition, the operations account was also used as a revenue collection account, weakening the control over revenue accounting.</p> <p>The accuracy and completeness of the reported rendering of services amount could not be confirmed.</p> <p>3. Unconfirmed Cash and Cash Equivalents</p> <p>Reported in the statement of financial position is cash and cash equivalents balance of Kshs.2,536,569 which, as indicated in Note 15 to the financial statements, was held in two (2) bank accounts. However, the supporting bank reconciliation statements were not provided for audit. Further, the balance is as per certificates of bank balances and not the cash book balance.</p> <p>In the circumstances, the accuracy of the cash and cash equivalent balance of Kshs.2,536,569 could not be confirmed.</p>			

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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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)
4	<p>4. Unconfirmed Receivables from Exchange Transactions</p> <p>The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.11,159,587. However, Management did not maintain a receivables ledger outlining the opening balance, billings for the year, receipts and adjustments to arrive at the reported closing balance, and the College did not have a debt recovery plan. In addition, the College invoiced students an amount Kshs.55,142,861 and only collected Kshs.24,752,316 or 45% which is not supported by an age analysis.</p> <p>In the circumstance, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.11,159,587 could not be confirmed.</p>	The college has acquired ERP	Resolved	

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)
	<p>5. Non-compliance with the prescribed Reporting Framework</p> <p>Review of financial statements revealed the following anomalies:</p> <ul style="list-style-type: none"> i. The statement of financial position does not have the sub-heading 'Represented by' for the financing section. ii. The statement comparison of budget and actual amount reflects actual revenue of kshs. 45,976,173 and actual expenses of kshs.42,774,979, while the statement of financial performance shows respective amount of kshs.58,188,812and kshs.51,858,780. However, management did not include a reconciliation under budget notes of these amounts as required by prescribed template. 			

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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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)
	<p>6. Budgetary Control and Performance</p> <p>The statement of comparison of Budget and actual amounts reflects total budgeted revenue and actual on comparable basis amounts of Kshs.49,743,928 and Kshs.45,976,173 respectively, resulting in underfunding of Kshs.3,767,755 or 8% of the budget. Similarly, the College spent Kshs.42,774,979 out of the actual receipts of Kshs.45,976,173, resulting in an under-utilization of Kshs.3,201,194. or 7%.</p> <p>The under-funding and under-utilization affected the planned activities and may have impacted negatively on learning in the College.</p> <p>My opinion is not modified in respect of this matter</p>		Not resolved	
	<p>Unresolved Prior Year Matters</p> <p>Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues. Further, although some of the prior year audit matters are said to have been resolved as indicated in the Implementation Status of Auditor-General Recommendations, Management has not provided evidence showing how these issues were resolved.</p>		Resolved	

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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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)
	Basis for Conclusion			
	<p>1. Failure to Register Trainers Review of records, revealed that the College had forty-four (44) trainers who were employed on a three (3) months contract. However, the trainers were not registered by Technical and Vocational Education and Training Board, contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013, which state that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of this Act.</p> <p>In the circumstances, Management was in breach of the Law.</p>	Part of the trainer have registered and undertaking their training	Partially resolved	
	<p>2. Failure to Approve Budget During the year under review, the Board approved a revenue and expenditure budget of Kshs.49,793,928. However, there was no evidence that the budget was submitted and approved by the Cabinet Secretary Ministry of Education, contrary to Section 22(1) and (2) of the Second Schedule to the Technical and Vocational Education and Training Act, 2013, which stipulates that the Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the institution under its</p>	The budget was submitted for approval	resolved	

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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)
	<p>charge, in such form and at such times as the Cabinet Secretary may prescribe and the Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.</p> <p>Further, the College did not maintain a vote book, contrary to Regulation 52(1)(d) of the Public Finance Management (National Government) Regulations, 2015, which states that when the Authority to Incur Expenditure is issued by the Ministry or State Department or Agency, the allocation shall be entered as a commitment in the Ministry's or State Department's or Agency's master vote book so as to ascertain at all times the availability of uncommitted funds.</p> <p>In the circumstances, Management was in breach of the law.</p>			

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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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)
	<p>3. Lack of Licence from Technical and Vocational Educational Training Authority (TVETA)</p> <p>During the year under review, the College was operating without a license from the Technical and Vocational Educational Training Authority (TVETA), contrary to Section 17(1) and (2) of the TVET Act, 2013 which, gives the Authority the mandate of setting license conditions and accrediting Technical and Vocational Education training Institutions. Although, the Management stated it is in process of registration, the College was yet to be registered because of incomplete block buildings, inadequate furniture, equipment and machinery.</p> <p>In the circumstances, the College might have been operating illegally</p>	<p>The college has received TVETA number, though still awaiting certificate</p>	<p>Partially resolved</p>	
	<p>4. Idle Flour Milling Machine</p> <p>During the year under review, it was established that the College received a flour milling machine from the Ministry of Education. The machine, which was to be used for student demonstration and production unit, had been installed and not commissioned because a three (3) phase 50hz/60HZ electricity power grid which it needed to run was yet to be connected to the College. The machine largely remained idle in the College building.</p>	<p>The management is working on completion</p>		<p>FY 2026/2027</p>

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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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)
	In the circumstances, the value for money realized from the cost of the machine could not be confirmed.			
	<p>5. Long Outstanding Accounts payable</p> <p>The statement of financial position reflects trade and other payables from exchange transaction balance of Kshs.5,400,986 as disclosed in note 19 to the financial statements. However, review of the amount and the aging analysis revealed sixty-two (62) transactions with an outstanding payment amounting to Kshs.3,581,226 that had not been paid for over sixty (60) days, contrary to the provisions of regulation 150(1) of The Public Procurement and Asset Disposal Regulations, 2020.</p> <p>In the circumstance, Management was in breach of the law</p>	The management have settled the outstanding debts	resolved	

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)
	<p>6. Lack of a Risk Management Policy and Framework</p> <p>It was noted that the College had not developed or implemented a risk management policy or framework to guide on risk assessment and mitigation processes. The College had not carried out risk assessment and had not updated risk register. Further, it was noted that the College did not have a disaster recovery plan. This was contrary to regulation 165 (1)(a) and (b) of the Public Finance Management Regulations (National Government) which states that the Accounting Officer shall ensure that the national government College develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.</p> <p>In the circumstances, Management was in breach of the law and the effectiveness of risk management in the College could not be confirmed.</p>	Management has approved risk management policy	resolved	
	Basis for Conclusion			
	<p>1. Lack of Internal Audit Function</p> <p>During the financial year under review, it was noted that the College did not have an Internal Audit department as required by Regulation 162(2)(a)(b)(c) and (d) of the Public</p>	The management has	Partially resolved	

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	<p>Finance Management (National Government) Regulations, 2015, which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the College to accomplish its internal audit responsibilities, the internal auditor with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of internal audit reports, appropriate action to be taken on internal audit recommendations; and the internal auditor to be independent of the programs, operations and activities he or she audits to ensure the impartiality and credibility of the internal audit work undertaken.</p> <p>In the circumstances, there was no assurance that the existing internal control systems, risk management and Governance processes of the College were effective.</p>	outsourced		
	<p>2. Lack of Staff Establishment Review of records revealed that the College did not have an approved staff establishment. The absence of an approved staff establishment indicated that the College had not determined the skills and optimal staffing levels required to achieve its goals and objectives. Additionally, there was no evidence that the College had prepared a human resource plan based on a comprehensive job analysis.</p>		Resolved	

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	As a result, it was not possible to ascertain whether the total staff employed by the College was at the optimal operating level and how key decisions regarding employees were made without an approved human resource policy			



.....
F B Odhiambo
Accounting Officer/Principal

Date 11/07/2025

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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Appendix III- Inter- Kakrao TVC Confirmation Letter

Name of transferring **Ministry of Education**

Name of beneficiary **Kakrao Technical and Vocational College**

Confirmation of amounts received by Kakrao Technical and Vocational College as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/SCHO/VOL.1 (045)	20/9/024	147,643.30		147,643.30	
MOE/DTE/SCHO/VOL.1 (048)	20/9/024	1,699,306.70		1,699,306.70	
MOE/DTE/SCHO/VOL.1 (045)	20/9/024	1,766,495.70		1,766,495.70	
MOE/DTE/CAP/45 (38)	23/9/024	3,230,225.00		3,230,225.00	
MOE/DTE/SCHO/VOL.1 (046)	24/9/2024	947,192.40		947,192.40	
MOE/DTE/CAP/46 (34)	14/02/2025	10,243,425.00		10,243,425.00	
Total		18,034,288.1		18,034,288.1	

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

Head of Accounts Department – M.O.E:

Name Sign Date

Head of Accounts Department – Kakrao TVC

Name *Alviah Alrah* Sign *Alviah* Date *11/7/2025*

