

REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
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TABLED BY:	Hon. Owen Benjamin Deputy leader of Majority Party
CLERK-AT-TABLE:	A. Shibuho

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THE AUDITOR-GENERAL

ON

**KIPSINENDE TECHNICAL TRAINING
INSTITUTE**

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



KIPSINENDE TECHNICAL TRAINING INSTITUTE

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)

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the kipsinende technical training institute's financial resources.

Comparative Year- Means the prior period.

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(b) Principal Activities

The principal activity/mission/ mandate of the Kipsinende Technical Training Institute is to:

- i) Impart skills to Trainees
- ii) Promote and carryout research relating to its mandate
- iii) Promote recognition of cultural values through hosting culture week

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Deputy principal Administration, Planning and Development
- Deputy principal Academics and Trainees Affairs
- Registrar-Academics
- Dean of students
- Finance officer
- Procurement officer

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Harrison Okello
2.	Deputy principal Administration	Esther M Lagat
3	Deputy principal Academics	Paul Sitienei
4	Registrar	John Maina
5	Dean of students	Erick Langat
6	Accountant	Chepkemoi Diana
7	Head of procurement	Dorcias Kurgat

(e) Fiduciary Oversight Arrangements

Fiduciary oversight arrangements for Audit Risk Committee.

The Audit Committee is to ensure confidence in the integrity of an organization's internal processes and procedures by holding quarterly meetings to discuss and provide an advisory and independent oversight mechanism over:

- i) Accounting and Financial reporting
- ii) Internal and external Audit processes
- iii) Risk Management and Internal Controls
- iv) Compliance with applicable Laws, Regulations, Ethical standards and Principles.

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The Audit Committee periodically re-assess the list of top risks in the Institution by fostering and promoting a more effective and efficient Audit process by providing independent review of internal Audit Annual work plan and reports.

The Audit Committee quarterly provides a depth of knowledge that assists Management discharge its responsibilities in the most effective and efficient manner. The Audit Risk Committee periodically provides a ‘no surprises’ environment in KSTTI, particularly with regard to the prompt identification of Risks and threats to the KSTTI.

Finance and Operation Committee Activities.

In the FY 2024/2025, Kipsinende Technical Training Institute had the above committee in place whose responsibilities included overseeing the Human Resource activities, infrastructure development, administrative issues of the fiduciary management, mobilising funds through the budget process, monitoring the budget execution and partnering with development partners for reporting purposes. The committee also ensures compliance with regulatory and statutory obligations in terms of Administrative and financial reports.

Education, Research, Training, ICT and Human Resource Management Committee Activities

In the FY 2024/2025, Kipsinende Technical Training Institute had the above committee charged with the responsibility of ensuring advancement of trainers in order to uphold higher standards of integrity, fairness, ethical and professionalism in their day-to-day activities in delivering institutions core mandate.

Development Partner Oversight Activities

It is the responsibility of the Ministry of Transport, Infrastructure, Housing and Urban Development State Department for Public Works to ensure that builders work is carried out as per the client’s standards, specification, correct materials, workmanship and schedules. Ascertaining that builder’s works conform to the relevant project drawings and design. They also ensure that project designs and implementation comply with all legal and regulatory obligations. To prepare interim certificates of payments based on the works already done.

Other oversight activities

Kipsinende Technical Training Institute collaborated with Institution of Engineering Technologists and Technicians to promote the advancement of registered trainers in order to uphold highest standards of honesty, integrity, impartiality, fairness, ethical conduct and professionalism in their day-to-day activities.

This collaboration led to the enhancement of professional development among IET registered members.

Kipsinende Technical Training Institute also collaborated with TVETA on accreditation of training programmes and courses before being offered to trainees. Kipsinende worked closely with TVETA on matters registration and licensing of trainers including quality assurance, relevance and standards in programmes offered for trainees.

(f) Kipsinende Technical Training Institute

P.O. Box 28-20209
Off Londiani-Muhoroni highway at Fort-Ternan.
Fort Ternan, KENYA

(g) Institute Contacts

Telephone: (254) 746440274
E-mail: kipsinendetechnical@gmail.com
Website: kipsinendeinstitute.ac.ke

(h) Institute Bankers

Kenya Commercial Bank, Kericho main branch
A/C No.1212733894
P.O. Box 43-20200
Kericho, Kenya








(i) Independent Auditors

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



(j) Principal Legal Adviser

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






3.The Board of Governors

POSITION & PHOTO	PERIOD OF SERVICE	NAME AND QUALIFICATION
1.CHAIRMAN 	MARCH 2024	JOSEPH KIPYEGON RUTO, DOB 22/12/1962, ID NO.7629109, BACHELOR OF LAND ECONOMICS UNIVERSITY OF NAIROBI
2.PRINCIPAL/BOG SECRETARY 	SEPTEMBER 2024	HARRISON O. OKELLO DOB 1975 ID NO. 13386299 MSC INFORMATION TECHNOLOGY, B.ED COMPUTER STUDIES &MATHS, DIP. IN EDUCATION
3.MEMBER/REP PS-CDTVET-KERICHO 	JANUARY 2023	KIPKOECH PETER CHERUIYOT, D.O.B 08/08/1972.M.PHIL. REGIONAL COUNTY DIRECTOR TVET
4.MEMBER 	MARCH 2024	BEN KIPNGETICH SAMOEI DOB 14/07/1972 ID NO.11362319 PhD BUSINESS MANAGEMENT (FINANCE), CPA K, CPS K EXPERIENCE FINANCE &INTERNAL AUDITOR
5.MEMBER 	MARCH 2024	ELISHA NDINYA ABEKA DOB 01/01/1962 ID NO.5890158 BSC ENGINEERING ELECTRICAL &ELECTRONICS, EXPERIENCE ROBOTICS, GOVERNANCE &SPECIAL NEEDS
6.MEMBER 	MARCH 2024	MERCY LAMWENYA DOB 06/10/1993 ID NO.30418841 DEGREE IN LAW (LLW) UNIVERSITY OF NAIROBI, PRINCIPAL LEGAL OFFICER
7.MEMBER 	MARCH 2024	REV.DR. PAUL OMBATI DOB 01/01/1970 ID NO.10692973 PhD COUNSELLING & PSYCHOLOGY, EXPERIENCE IN PUBLIC RELATIONS, DIGITAL MARKETING & COMMUNICATION

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<p>8.MEMBER</p> 	<p>MARCH 2024</p>	<p>PROF. STELLA CHELANGAT KIRUI DOB 01/12/1965 ID NO.4639574 PhD in ENTOMOLOGY ASSOCIATE PROFESSOR IN APPLIED ENTOMOLOGY LECTURER MAASAI MARA UNIVERSITY</p>
<p>9.MEMBER</p> 	<p>MARCH 2024</p>	<p>DR. ELIJAH SANDAGI O MUTANGE DOB 03/05/1969 ID NO.103206618 PhD ENVIRONMENTAL EARTH SCIENCES, MPHIL. EDUCATION, B.ED EDUCATION ,LECTURER DEPT OF TECHNOLOGY EDUCATION</p>

4. Key Management Team

S/N	NAME OF THE STAFF	RESPONSIBLE
1.	HARRISON O. OKELLO 	-PRINCIPAL -SECRETARY BOG - ACCOUNTING OFFICER
2.	PAUL SITIENEI 	-D/PRINCIPAL ACADEMICS -HEAD OF ACADEMIC MATTERS -CHAIRPERSON OF ACADEMIC BOARD
3.	ESTHER MASINDE LAGAT 	-D/PRINCIPAL ADMINISTRATION -CHAIRPERSON DISCIPLINARY COMMITTEE -HUMAN RESOURCE FUNCTION
4.	CHEPKEMOI DIANA 	-ACCOUNTANT -FINANCIAL MANAGEMENT -BUDGETING AND CONTROL -FINANCIAL REPORTING
5.	JOHN MAINA 	-AG. REGISTRAR -ADMISSIONS AND MARKETING
6.	ERICK LANGAT 	-AG. DEAN OF STUDENTS -STUDENTS WELFARE

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7.	DORCAS KURGAT 	PROCUREMENT OFFICER -ADVISOR IN PROCUREMENT MATTERS
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5. Chairman's Statement

Kipsinende Technical Training Institute is mandated to offer Artisan, Craft Certificate and Diploma courses across various programs. The Institute focuses on producing well-equipped middle-level professionals with the technical and business skills essential for the industry, infrastructure, and service sectors.

The Board operates through three subcommittees: the Administration, Finance, and Infrastructure Committee; the Education, Research, and Training Committee; and the Risk and Audit Committee. During the year under review, the Institute successfully completed several planned activities, including improved KNEC exam performance, construction of a classroom to substructure level, partial construction of a building workshop shade and planted 1000 coffee trees. Additionally, the Institute received a donation of 25 desktop computers from the Ministry of ICT, enhanced its performance in key contract indicators and acquired additional training materials.

Furthermore, the Institute provided extension services to the community as part of its Corporate Social Responsibility initiatives, in line with the FY 2024/2025 Performance Contract.

- **Budget Allocation**

In the FY2024/2025, Kipsinende Technical Training Institute had a gross budget of Kshs.34,368,601.00 of which Ksh 33,373,024.00 was on recurrent votes and Kshs. 2,283,476.00 for development vote.

- **Key Achievements**

Over the past year, our institution has seen remarkable growth and success. Enrolment surged from 437 to 960, driven by our strong performance in national exams and research. Female enrolment more than doubled, and our pass rate rose to 68.71%, far exceeding our targets. We've also fully implemented CBET courses and currently offering the CBET modularized curriculum, enhancing our academic offerings.

Financially, we achieved significant revenue growth and maintained a 100% absorption of allocated funds. We expanded our infrastructure, including the partial construction of a classroom and registering institutional driving school with the NTSA. Our commitment to extra-curricula activities saw us participating in regional games, surpassing our goals.

In governance, we strengthened our service delivery and improved customer satisfaction. Staff development remained a priority, with extensive capacity-building efforts. We also made strides in digitalizing key processes to improve efficiency.

Looking ahead, we will continue to build on these achievements, ensuring that our institution remains a leader in education and innovation.

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- **Challenges**

While the institution achieved several milestones, we faced significant challenges due to financial constraints. Key projects, including research initiatives, technology transfer and levelling of the play grounds, could not be completed. Targets for industry linkage, dual training, and new income-generating activities were unmet, along with accommodation and short courses. The development of key infrastructure, such as classrooms, basketball court, institute's gate and e-learning facilities, were also delayed.

Our budget included Kshs. for a major construction project, but it failed to attract external funding. Additionally, KUCCPS disbursements were far below the allocated amount and scholarship were not disbursed. These financial shortfalls significantly impacted our ability to fully implement the budget and deliver on our service commitments.

Despite these setbacks, we remain committed to overcoming these challenges and achieving our long-term goals.

Sign: 

Date: 28/11/2025

6. Report of the Principal

Kipsinende technical Training Institute is a training Institute charged with the mandate to offer courses at Artisan, Craft Certificate, and Diploma levels in various disciplines.

Since its inception in 2017, KSTTI has made several milestones despite a number of challenges occasioned by weak financial base arising from lack of enhanced funding from the GOK/Development partners for infrastructure development, related training facilities and equipment.

It's important to note that KSTTI operates above board in its day-to-day operations and had observed all the legal and statutory obligations as is expected during the year under review including signing performance contract with the parent ministry on behalf of GOK and implementing the targets, monitoring the performance and reporting to various GOK agencies as scheduled. BOG meetings were convened as planned for except for the forth quarter both committee meetings and full board meetings.

Currently we have 6 academic departments with student population of 960 which is expected to grow over time having put in place strategies to achieve the same in our strategic plan. Besides this, capacity building programmes had been organised for both trainers and the technical staff to enhance service delivery to our clients.

In 2024/2025FY, KTTI operated on an approved budget of Ksh 34,368,601.00 of which Ksh 33,373,024.00 was for recurrent votes and Ksh.2,283,476.00 for development vote comprised of the NGCDF funded project with an allocation of ksh.1,150,000 in the current year whose contract sum was kshs 1,150,000.00 The budget performance was way below the expected level as only ksh 9,417,787.00 was received for capitation and scholarship.

Milestones / Achievements made during the year under review includes the Following: -

Achievements

The Key Result Areas (KRA) were: Produce competent graduates, increased resource allocation, Scientific and technological advancement, match skills produced with industry expectation, improved infrastructure and equipment, improved tree coverage, beautification and sanitation. The main outcomes were Reduced unemployment among graduates, increased revenue, improved commercialization and technology transfer, Improved customer satisfaction, improved linkage and industry collaboration and enhanced training environment.

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The key achievements in the FY 2024/2025 were as follows:

Produce competent graduates; enrolment increased from 437 to 960 against a target of 750, thus increased by 523 against a target of 313 hence surpassed the target due to improved image hence perception towards the institution. This was because of rigorous marketing, good performance in national exams and in research and innovation. Enrolment among female trainees increased from 241 to 428 i.e., hence surpassed the target of 77.59 % Percentage pass in national exams increased from 62% to 68.71%, 5.71% increase against a target of 3% hence surpassed the target. Trainee Completion rate was calculated and was 96 %.

For resource allocation, there was increased revenue and increased budgetary allocation. Absorption of allocated funds was maintained at 100%, A-in- A and pending bills to less than 1% from 3%.

Scientific and technological advancement, there was no any publication in the financial year.

To improve linkage and industry collaboration, the number of signed MOUs increased to 6 against a target of 4 while active MoUs were 4 against a target of 3.

In terms of improvement in infrastructure the classroom was completed up to the substructure level. For improved tree coverage, beautification and sanitation Tree cover also increased from 6500 to 8300 trees and flowers grown. The institutional driving school was also registered with NTSA.

Two processes were reengineered: the institute embraced the online library through BUKU.com, and procurement requisition process and digitalized. The institution initiated the onboarding process and yet to be completed by the ICT authority.

Improved, governance, accountability and transparency: The citizen service delivery charter was reviewed, translated into braille and mounted next to Administration block. The citizen service delivery charter was implemented at 100%. We developed 5 policies and 6 procedure manuals. Both internal and external customer satisfaction improved from 4.5 to 4.6 (very good). The productivity index was also calculated at 2.84925 (high Productivity). We are waiting for the productivity index for the FY 20254/2025.

In terms of staff competency 40 staff were engaged in capacity building, in staff performance management, the mean staff performance appraisal score was 95% (Good). 1 staff retired and was competitively replaced. The strategic plan 2023/2027 was reviewed. In curriculum activities the institution participated in sports at regional level.

- Conducted capacity building among 40 staff out of the 59 and outsourced 2 staff to address the gaps and training needs identified in Skills Gap Analysis, Training Needs assessment and Staff Performance Appraisal.

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- The institution also engaged 8 attaches, 1 intern, a total of 9, thus surpassing the 16 ie 10% of 209 in posting as per the guidelines.
- Attainment of various performance contracting activities in the financial year 2024/2025(20th cycle) i.e.,
 - i. Service charter mounted next to Administration block
 - ii. National cohesion and values indicator with a score of 93%
 - iii. Science, Technology and Innovation with a score of 95% and
 - iv. Assets and Liabilities Management with a score of 96%
 - v. Complaints & compliments was 82% an improvement from 75% last FY.

Challenges.

The institution was unable to achieve the following due to unavailability of funds: Research projects, technology transfer and commercialization, construct college gate. Targets on Industry linkage and collaboration was not achieved, Dual training was not implemented. New IGAs were not started as planned, Target for accommodation for trainees was not met due to few accommodations' facilities, Short courses were not started

1 part time /blended course was not started, RPL was not started, Targets for IGA in terms of revenue were not met, public participation policy was not developed.

It is important to note that despite the achievement outlined above, the institution encountered a number of challenges as outlined below;

- Included in 2024/2025 FY budget was Ksh.1,300,000 for the proposed construction of a basketball court. The project never attracted any funding in the year under review.
- KUCCPS validated students for funding at kshs.30,000.00 but KSTTI only received Ksh.17,100.00 out of Ksh30,000 allocation ie funds for Quarter 1 at Ksh4,100 per student and Ksh.13,000 for quarters 2 to 4.
- Non-disbursement of scholarship from HELB

The above factors had a negative impact on service delivery and full attainment or implementation of the budget for the year under review.

Sign: _____



Date: 28th /11/ 2025

7. Statement of Performance against Predetermined Objectives

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

Kipsinende Technical Training Institute has three strategic pillars and objectives within its Strategic Plan. These strategic pillars are as follows:

1. Increase graduates in Science, Engineering and Technology courses with the requisite skills for the delivery of "Big Four" Initiatives;
2. Applying modern technology in small holder farming to ensure food security and sustainability;
3. To develop and improve infrastructural facilities to accommodate the needs of the stakeholders and the immediate community.

The college develops its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

8. Corporate Governance Statement

- Kipsinende Technical Training Institute, Board of Governors is accountable to the stakeholders and to the government of Kenya for the board's performance and governance.
- The primary role of the Board is to provide the overall oversight on the management team. Currently, the Board has established three committees to give detailed consideration to policy matters and key issues in respect of corporate management.
- The Board meets on quarterly and has the formal schedule to that effect. In the year under review, the board comprised of eight members with six nominated on the basis of their knowledge and experiences.

Process of Appointment.

The requirement of the Board of Governors is done by a panel comprising of the following officers.

- Regional TVET Director (Chairman)
- The Principal/B.O. G Secretary
- County Commissioner
- Member of Parliament representative

The composition is spelt out in the nomination procedure to comprise of,

- (i) The chairman
- (ii) Representative of the Permanent Secretary for Vocational and Technical Training (Not selected by the panel).
- (iii) Representative of the County Governor (Not selected by the panel).
- (iv) Six persons nominated on the basis of knowledge and experience in,
 - Leadership and management
 - Financial management
 - Technology
 - Industry
 - Engineering
 - ICT

Removal of a Board Member

A member may be removed through the office of the Permanent Secretary in the following circumstances although none was removed in 2024/2025FY.

- a) One fails to attend B. O. G meetings without clear reasons for a period of time.
- b) When one travels abroad for a reason and that the role played by him/her shall remain unattended for a long period of time.
- c) When one is convicted in any form of crime.
- d) When one rejects the appointment as a board member.

Roles/Functions of the board

The mandate of the board of governors is to oversight fiduciary management in their daily responsibilities through the following committees.

1. Audit and Risk Management Committee
Ensures full implementation of internal control, risk management compliance with statutory and regulatory requirements.
2. Administration, Finance and Infrastructure Committee
Oversees Human Resource issues, infrastructure development, administrative functions, development partners and oversight activities.
3. Education, Research and Training Committee
Oversees the operations of the training in terms of professional development of trainees and collaborate with TVETA for accreditation of training programmes and courses.
Oversights in matters of quality assurance, relevance and standards in programs offered for training.

Induction and Training

In the FY 2024/2025, the Board of Governors attended the induction organized by KATTI.

Conflict of Interest

Kipsinende Technical Training Institute maintained conflict of interest register where before any meeting, members would declare interest if any for noting and appropriate action.

Remuneration of the Board of Governors

The board are entitled to sitting allowances as prescribed in the Kipsinende Technical Training Institute Board allowances.

Board meetings attendance

The board holds meetings atleast once every quarter. the same applies to committees. In the FY 2024/2025, meetings were held as follows

1.AFI BOG COMMITTEE MEETINGS

S/NO	Date
1	04/10/2024

2.ERT BOG COMMITTEE MEETINGS

S/NO	Date
1	03/10/2024
2	24/01/2025

3. ARC BOG COMMITTEE MEETINGS

S/NO	Date
1	4/10/2024

4 FULL BOG MEETINGS

S/NO	Date
1	16/08/2024
2	5/12/2024
3	31/03/2025

9. Management Discussion and Analysis

Kipsinende Technical Training Institute is National institution under the Ministry of Education Directorate of TVET. The institution was established by the government to foster its agencies in food production and extension of farm services. Over times the institution has been embracing government policies and strategies as stipulated in the parent ministries policy paper and strategies. The G.O.K under vision 2030 has come up with vibrant strategies to achieve vision 2030 M.D. G's and achieve the BETA Agenda of the government. This government development strategy has been castigated to ministries, government agencies. The institution as a government agency has adopted the ministry policies and strategies as follows;

- The institution has developed a strategic plan incorporating the government agenda.
- The institute has numerous courses and training programmes that are industry driven and oriented.
- The institute has vibrantly marketed itself and increased the student population taking various courses to help industrialize Kenya.
- The institute has partially implemented the National Cohesion Policy in employment and administration.

In implementing the above strategies, the institute has experienced the following challenges.

- Inadequate funding to support the programmes.
- Inadequate skilled manpower to drive the strategies and policies
- Strain on limited resources that exist within its environment.
- Drugs and substance abuse by youths that form a larger population of the largest group.
- Negative attitude towards technical education

Opportunities

- Linkages with industries mounting industry driven courses
- Government policies, strategies and commitments in sponsoring of trainees through KUCCPS and HELB
- A large population of high school leavers
- Development partner's willingness to support TVET sector.
- Employment opportunities in the private sector

10. Environmental And Sustainability Reporting Statement

Kipsinende Technical Training Institute exists to transform lives amplified by College Motto. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, Education and Training Sector Plan: - Medium Term Plan III, keeping in mind the specific priorities of Kipsinende Technical Training Institute.

Environmental performance

Kipsinende Technical and Technical College is located on top of the hill on a land that the community used to graze their flock of Cows with high grace vegetation without trees. The college has form and environmental club under the APSnet school guided by trained patrons. The focus is on the Sustainable Development Goals. In the FY2024-2025 the College concentrate on the inter cropping farming where the trees are intercropped and a coffee farm of four acres was established to serve as demonstration plot as well as a project for income generation.

Employee welfare

Recruitment

- The Institute is committed to attracting, motivating and retaining competent employees required for efficient and effective service delivery.
- The Institute is an equal opportunity employer and shall not in its recruitment and selection process, discriminate on the basis of gender, race, religion, ethnicity or any other form of discrimination. The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 232 of the Constitution of Kenya, 2010 will be observed alongside any policies issued by the National Cohesion and Integration Commission.
- The Institute's efficiency and effectiveness depends on the quality and competencies of the employees it engages. The Institute shall therefore endeavour to recruit suitably qualified and experienced employees with the right skills and experience required to achieve its goals and objectives.
- When making a decision on selection on first appointment, information concerning a candidate's general background and/or previous employment shall be verified. No appointment shall be offered to any employee prior to such verification.
- All appointments shall be made with the approval of the Board of Governors or as delegated and shall be within the approved establishment.

- Appointments in all cases shall be aligned to clear job descriptions and specifications for various cadres of employees in their respective fields of employment.
- In all cases, each employee shall be provided with the Human Resource Policies and Procedures Manual to read and sign the Acknowledgement Form to signify that they have understood the provisions of the policy.

Performance appraisal

- The Institute takes into account individual performance and reward employees for their contribution in a fair and equitable manner. The Performance Management System has therefore been designed to achieve this objective, among others.
- The Performance Management System will support the Institute to attain the following, among others:
 - i) Attract qualified employees;
 - ii) Retain qualified employees;
 - iii) Motivate employees by rewarding good performance; and
 - iv) Support management in the realization of the objectives of the Institute.
 - v) The system provides for setting of performance targets, work planning and evaluation of performance.

Compliance with OSHA

The Institute will recognize and commit itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it will implement policies and programmes that assure their protection from such hazards and disasters. The policies and programmes will be implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

Guidelines to General Safety

- a) The Institute maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents.
- b) Employees will always consider safety to themselves and others when performing their duties. They will not compromise on quality, cause injury, ill health, loss or environmental damage at all times.

Emergency Preparedness

- a) The Institute will put in place adequate plans for incidents such as accidents, explosions, fires, natural disasters and bomb threats, prepare and outline procedures to be followed in such events.
- b) Heads of Departments will have a responsibility of ensuring that all employees and visitors are informed of and are fully conversant with the emergency procedures.

Fire Precautions

- a) The Institute will ensure that fire protection facilities provided in the various stations are adequate and maintained as advised by the Fire Brigade and the Directorate of Occupational Safety and Health Services (DOSHS).

- b) The Institute will enforce all necessary fire precaution measures.

Fire Prevention

- a) No hazardous or highly inflammable materials should be stored in stations without the approval of the Principal.
- b) Positions of firefighting equipment must not be interfered with nor should firefighting equipment such as hose reels and extinguishers be used for purposes other than firefighting.
- c) The Institute will ensure that:
 - i. Health and Safety Committees are formed in all premises used by employees;
 - ii. The Committee members and all employees are trained; andFirefighting drills are conducted in all premises used by employees in accordance with the requirement of the Occupational Safety and Health Act, 2007.

Corporate Social Responsibility / Community Engagements

(The report discusses the details of Corporate Social Responsibility (CSR) activities carried out in the reporting period and the impact to the society.) The activities should be limited to the mandate of the Kipsinende Technical Training Institute. For example, Kenya Forest Services could report social investments arising from partnering with communities to propagate seedlings and then they buy back, agroforestry where the community is allowed to farm and take care of seedlings or an initiative supporting a community to use energy savings Jikos. Provide evidence of community engagement including charitable giving (cash and material), Corporate Social Investment (e.g. schools, dams, roads, boreholes, health facilities etc.) and other forms of community engagements (e.g. tree planting, free clinics, scholarships and bursaries awarded etc.). Or evidence of public participation, sensitization and civic education (e.g. in Law and by-laws formulation, budget making processes, community consultation on proposed development projects in their areas)

11. Report of the Board of Governors

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

Principal activities

The principal activities of the kipsinende technical training institute are Impart skills to learners, Promote and carry out Research relating to its mandate and Promote Recognition of cultural values.

Results

The results of the kipsinende technical training institute for the year ended June 30 are set out on page 1 to 5

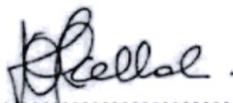
Board of Governors

The members of the Board /Council who served during the year are shown on page vii and viii

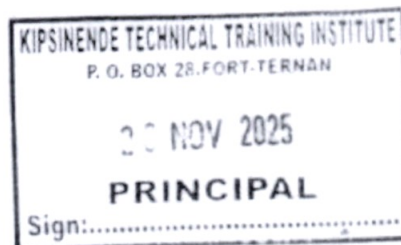
Auditors

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

By Order of the Board



.....
Secretary of the Board



Date:28/11/2025

12. Statement of Board of Governors

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the council members to prepare financial statements in respect of Kipsinende Technical Training Institute, which give a true and fair view of the state of affairs of the institute at the end of the financial year/period and the operating results of the institute for that year/period. The Council members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The council members are also responsible for safeguarding the assets of the institute.

The Council members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institution 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 the Kipsinende technical training institute, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the Kipsinende Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Acts) – entities should quote applicable legislation as indicated under). The council members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended June 30, 2025, and of the institute's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the institute's ability to continue as a going concern (disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.) Nothing has come to the attention of the Council members to indicate that the institute will not remain a going concern for at least the next twelve months from the date of this statement.

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

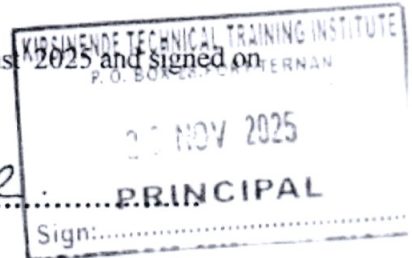
The institute's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:


.....

Name: Joseph K. Ruto
Chairperson of the Board/Council


.....

Name: Harrison Okello
Accounting Officer/Principal



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIPSINENDE TECHNICAL TRAINING INSTITUTE 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 Kipsinende Technical Training Institute set out on pages 1 to 33, which comprise of the statement of financial position

Report of the Auditor-General on Kipsinende Technical Training Institute for the Year ended 30 June, 2025

as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kipsinende Technical Training Institute as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total receipts budget and actual on comparable basis amounting to Kshs.32,002,600 and Kshs.21,717,986 respectively, resulting in underfunding of Kshs.10,284,614 or thirty-two percent (32%) of the budget. Similarly, the Institute expended Kshs.19,790,463 against actual receipts of Kshs.21,717,986 resulting in under-absorption of Kshs.1,927,523 of the receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, thirteen (13) issues were raised under the Report on Financial Statements as shown in **Appendix I**. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

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

In connection with my audit on the Polytechnic'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, I confirm that nothing 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

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

Report of the Auditor-General on Kipsinende Technical Training Institute for the Year ended 30 June, 2025

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 Article 229(6) of the Constitution and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on effectiveness of internal controls, risk management and governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Lack of Internal Audit Function

Audit review confirmed that the Institute does not have an Internal Audit Department. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstance, the internal control mechanisms that could have an impact on achievement of the strategic objectives of the Municipality may be undetected and hence not rectified in good time.

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 Institute's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Governors is responsible for overseeing the Institute'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

15 December, 2025

Appendix I

Unresolved Prior Year Audit Matters

Paragraph	Financial Year	Issue
		Qualified Opinion
1	2023/2024	Inaccuracy of total revenue from exchange transactions
2	2023/2024	Inaccuracies in the use of goods and services
3	2023/2024	Inaccuracy of compensation of employees
4	2023/2024	Unsupported cash and cash equivalents
5	2023/2024	Inaccuracy of receivables from exchange transactions
6	2023/2024	Inaccuracy of property, plant & Equipment
7	2023/2024	Unsupported Biological Assets
8	2023/2024	Unsupported trade and other payables from exchange transactions
9	2023/2024	Unsupported refundable deposits from customers
10	2023/2024	Irregular presentation of the statement of comparison of budget and actual amounts
		Emphasis of Matter
11	2023/2024	Budgetary Control and Performance
		Report on Lawfulness and Effectiveness of Internal Controls, Risk Management and Governance
12	2023/2024	Lack of an Internal Audit Function
13	2023/2024	Weakness in Imprest Management

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

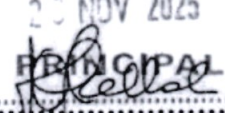
	Notes	30 TH JUNE 2025	30 TH JUNE 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from the National Government	6	9,417,787.00	10,254,281.00
Total Revenue from Non-Exchange transactions		9,417,787.00	10,254,281.00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	46,636,325.00	16,672,875.00
Other income-production unit	8	292,555.00	0
Gain on revaluation of Biological Assets	19	986,360.00	
Revenue from Exchange transactions		47,915,240.00	16,672,875.00
Total Revenue		57,333,027.00	26,927,156.00
Expenses			
Use of goods and services	9	20,212,407.00	12,590,131.00
Employee costs	10	3,915,449.00	4,285,065.00
Board Expenses	11	663,000.00	253,000.00
Depreciation and amortization expense	12	63,864.00	6,943,373.00
Repairs and maintenance	13	654,073.00	132,380.00
Contracted services		0	50,375.00
Loss on revaluation	17	12,124,876.00	0
Total Expenses		37,633,669.00	24,275,324.00
Net surplus/(deficit) for the year		19,699,358.00	2,651,832.00

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



Joseph K. Ruto
Chairman of Council/Board

Date: 28/11/2025

KIPSINENDE TECHNICAL TRAINING INSTITUTE
 P. O. Box 28-20209, FORT TERNAN
 20 NOV 2025
PRINCIPAL
 Sign: 

Harrison Okello
Principal

Date: 28/11/2025

KIPSINENDE TECHNICAL TRAINING INSTITUTE
 P. O. Box 28-20209, FORT TERNAN
 20 NOV 2025
ACCOUNTS
 Sign:

Chepkemoi Diana
Finance Officer


Date 28/11/2025

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

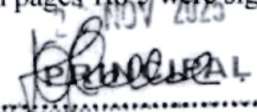
Description	Notes	30 th JUNE 2025	30 th JUNE 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	615,797.00	449,589.00
Receivables from exchange transactions	15	38,879,684.00	9,267,185.00
Inventories	16	538,139.00	593,715.00
Total Current Assets		40,033,620.00	10,310,489.00
Non-Current Assets			
Property, plant, and equipment	17	74,698,356.00	85,562,317.00
Intangible assets	18	2,064,939.00	1,628,803.00
Biological Assets	19	1,488,000.00	501,640.00
Total Non-Current Assets		78,251,295.00	87,692,760.00
Total Assets (A)		118,284,915.00	98,003,249.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	5,654,466.00	4,887,558.00
Refundable deposits from customers	21	0	184,600.00
Total Current Liabilities		5,654,466.00	5,072,158.00
Net Assets		112,630,449.00	92,931,091.00
Represented By:			
Revaluation reserve		(110,850,837.00)	(110,850,837.00)
Accumulated Surplus		19,699,358.00	0
Capital Fund		203,781,928.00	203,781,928.00
Net Assets		112,630,449.00	92,931,091.00

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



Joseph K. Ruto
Chairman of Board

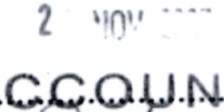
Date: 28/11/2025



KIPSINENDE TECHNICAL TRAINING INSTITUTE
P. O. BOX 28, FORT-TERNAN
NOV 2025
Principal
Sign:

Harrison Okello
Principal

Date: 28/11/2025



KIPSINENDE TECHNICAL TRAINING INSTITUTE
P. O. Box 28, FORT-TERNAN
2 NOV 2025
ACCOUNTS
Sign:

Chepkemai Diana
Finance Officer

Date

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	(113,502,669.00)	0	203,781,928.00	90,279,259.00
Surplus/(deficit) for the year	2,651,832.00	0	0	2,651,832.00
At June 30, 2024	(110,850,837.00)	0	203,781,928.00	92,931,091.00
At July 1, 2024	(110,850,837.00)	0	203,781,928.00	92,931,091.00
Surplus/(deficit) for the year	0	19,699,358.00	0	19,699,358.00
At June 30, 2025	(110,850,837.00)	19,699,358.00	203,781,928.00	112,630,449.00

]

Kipsinende Technical Training Institute
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	30 th JUNE 2025	30 th JUNE 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	9,417,787.00	10,254,281.00
Rendering of services- fees from students	7	12,007,644.00	11,004,367.00
Other incomes – production unit	8	292,555.00	
Total Receipts		21,717,986.00	21,258,648.00
Payments			
Use of goods and services	9	14,557,941.00	15,949,495.00
Employee costs	10	3,915,449.00	4,285,065.00
Board of Governors Expenses	11	663,000.00	253,000.00
Repairs and maintenance	13	654,073.00	132,380.00
Total Payments		19,790,463.00	20,619,940.00
Net Cash Flows from operating activities		1,927,523.00	638,708.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	17	1,761,315.00	1,390,000.00
Net cash flows used in investing activities		1,761,315.00	1,390,000.00
Net Increase/(Decrease) in Cash and Cash equivalents		166,208.00	(751,292.00)
Cash and Cash equivalents at 1 JULY		449,589.00	1,200,881.00
Cash and Cash equivalents at 30 JUNE		615,797.00	449,589.00

Kipsinende Technical Training Institute
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	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	%
Budget carryovers from the previous year*	-			
Receipts				
Transfers from other National Government entities	2,000,000.00	9,417,787.00	7,417,787.00	370.89%
Rendering of services- fees from students	28,647,600.00	12,007,644.00	16,639,956.00	58.08%
Production unit	1,355,000.00	292,555.00	(1,062,445.00)	78.41%
Total Receipts	32,002,600.00	21,717,986.00	22,995,298.00	71.85%
Payments				
Use of goods and services	25,816,825.00	14,557,941.00	11,258,884.00	43.61%
Employee costs	6,801,776.00	3,915,449.00	2,886,327.00	42.43%
Board Expenses	700,000.00	663,000.00	37,000.00	5.29%
Repairs and maintenance	1,050,000.00	654,073.00	395,927.00	37.71%
Total Expenditure recurrent	34,368,601.00	19,790,463	14,578,138	42.41%
Development Expenditure	0	1,761,315.00		
Total expenditure		21,551,778		
Surplus		166,208.00		

The statement of comparison of budget and actual amounts indicate that the budgeted income was surpassed while the expenditure was under scored. This is attributed to the revenue that was earned by the college but not received in the year 2024/2025FY. The failure to collect revenue earned was caused by the HELB that did not finance the students who applied for HELB Loan funding. Due to the short fall in revenue, the college was forced to cut down on its expenditure.

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Budget Reconciliation

Description of Particulars	Amount in KShs
Actual Surplus Amounts as per the statement of Budget	166,208.00
Balance brought down as at 1 st July 2024	449,589.00
Closing Cash and Cash Equivalent as per the statement of Cash flows	615,797.00

19. Notes to the Financial Statements

1. General Information

Kipsinende Technical Training Institute is established by and derives its authority and accountability from TVET Act. The institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The institute's principal activity is 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 institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

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

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

3. Adoption of New and Revised Standards

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

Kipsinende Technical Training Institute did not early – adopt any new or amended standards in the financial year .

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 kipsinende technical training institute 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

Kipsinende Technical Training Institute 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 kipsinende technical training institute.

Kipsinende Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

c) Taxes

Current income tax

The kipsinende technical training institute is exempt from paying taxes as per schedule.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over useful period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 kipsinende technical training institute 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 Kipsinende technical training institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if

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lower, at the present value of the future minimum lease payments. The Kipsinende technical training institute 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 Kipsinende technical training institute 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 Kipsinende technical training institute. 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 kipsinende technical training institute 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 kipsinende technical training institute, 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

Kipsinende Technical Training Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Kipsinende Technical Training Institute can demonstrate:

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- 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. Kipsinende Technical Training Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one kipsinende technical training institute and a financial liability or equity instrument of another kipsinende technical training institute. At initial recognition, the kipsinende technical training institute 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

Kipsinende Technical Training Institute 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 kipsinende technical training institute'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

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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 kipsinende technical training institute 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, Kipsinende Technical Training Institute 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 kipsinende technical training institute 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

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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 kipsinende technical training institute 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 kipsinende technical training institute recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The kipsinende technical training institute 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.

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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 Kipsinende technical training institute.

1) Provisions

Provisions are recognized when the *Kipsinende technical training institute* 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 *Kipsinende technical training institute* 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 *Kipsinende technical training institute* 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 *Kipsinende technical training institute* 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 *Kipsinende technical training institute* 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.

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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 kipsinende technical training institute 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 kipsinende technical training institute will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

The *Kipsinende technical training institute* creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

The *Kipsinende technical training institute* 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 *Kipsinende technical training institute* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an kipsinende technical training institute pays fixed contributions into a separate kipsinende technical training institute (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.

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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

t) Service concession arrangements

The *Kipsinende technical training institute* 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 *Kipsinende technical training institute* 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 *Kipsinende technical training institute* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

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v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Kipsinende technical training institute 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 Kipsinende technical training institute. 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 *Kipsinende technical training institute*.
- 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.

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- 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.

6. Transfers from other National Government entities

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	5,981,800.00	5,061,500.00
Operational Grant	0	2,000,000.00
Other Grants-Scholarship	3,435,987.00	3,192,781.00
Total unconditional Grants	9,417,787.00	10,254,281.00

7. Rendering of Services – Fee from Students

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Tuition Fees	23,867,298.00	4,564,857.00
Activity Fees	2,160,009.00	1,148,256.00
Industrial Attachment Fees	159,040.00	164,070.00
Examination Fees	2,348,790.00	922,910.00
Electricity, Water & Conservancy Fees	1,530,705.00	1,170,768.00
Personal Emoluments	8,478,770.00	3,914,723.00
Registration Fees	386,900.00	208,000.00
Local Transport and Travels	631,232.00	1,573,659.00
Medical and Insurance	216,900.00	551,860.00

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Administrative Fees	2,854,700.00	568,600.00
Repairs and Maintenance	2,267,781.00	1,341,222.00
Students IDs	319,300.00	24,200.00
Kuuccps registration	1,108,500.00	1,500.00
Student council fees	236,100.00	116,500.00
Insurance	25,200.00	163,000.00
ICT	45,100.00	218,350.00
Computer packages	0	20,400.00
Total Revenue from The Rendering of Services	46,636,325.00	16,672,875.00

8. Production Unit

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Computer Packages	15,300.00	0
Driving School	224,300.00	0
Sale of Farm Produce	52,955.00	0
Total Revenue from Sale of Goods	292,555.00	0

The above table show income from other sources apart from the training fee from students. The computer packages income is with respect to the training on computer application charged on non-students. Our college also offer driving school services that generated the above stated revenue while the income from the sale of farm produce is in respect of the dairy products and coffee cherries.

9. Use of Goods and Services

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Teaching and learning materials	4,198,590.00	2,046,239.00
Industrial attachment costs	451,600.00	33,272.00
ICT Expenses	42,000.00	945,970.00
Local transport and travel	2,597,260.00	3,619,981.00

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Medical	240,000.00	45,000.00
Administrative cost	4,419,493.00	3,206,614.00
Activity	2,620,838.00	389,550.00
Marketing expenses	886,963.00	58,300.00
Examination fees	3,640,850.00	1,080,410.00
Student council	16,200.00	34,100.00
Catering services	339,060.00	532,339.00
Production unit	217,557.00	332,635.00
Internet expenses	103055.00	0
Insurance	51771.00	92,271.00
Students' ids	19710.00	0
Boarding	0	68,000.00
Bank charges	0	41,650.00
Other expenses	367,460.00	105,450.00
Total good and services	20,212,407.00	12,631,781.00

10. Employee Costs

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Salaries and wages	3,556,527.00	4,102,621.00
Statutory deductions	358,922.00	182,444.00
Employee Costs	3,915,449.00	4,285,065.00

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11. Board Expenses

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Sitting and Transport Allowance	663,000.00	253,000.00
Total	663,000.00	253,000.00

12. Depreciation and Amortization expense

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Property, plant and equipment	0	6,964,373.00
Intangible assets	63,864.00	0
Total depreciation and amortization	63,864.00	6,964,373.00

13. Repairs and Maintenance

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
General repairs	654,073.00	132,380.00
Computers and accessories		
Total Repairs and Maintenance	654,073.00	132,380.00

14. Cash and Cash Equivalents

Description	30 TH JUNE 2025	30 TH JUNE 2024
	Kshs	Kshs
Current Account – 1212733894	615,797.00	449,588.60
Total Cash and Cash Equivalents	615,797.00	

14.a. Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	30 TH JUNE 2025	30 TH JUNE 2024
		Kshs	Kshs

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a) Current Account			
Kenya Commercial Bank	1212733894	615,797.00	449,588.60
Grand Total		615,797.00	449,588.60

15. Receivables from Exchange transactions

Description	30 TH JUNE 2025		30 TH JUNE 2024	
	Kshs		Kshs	
Current Receivables				
Student Debtors		38,879,684.00		9,267,185.00
Total Current Receivables		38,879,684.00		9,267,185.00
Ageing analysis:		% of the Total		
Under one year	27548252	70%		
1-2 years	11,331432	30%		
Totals	38,879,684.00	100%		

16. Inventories

Description	30 TH JUNE 2025		30 TH JUNE 2024	
	Kshs		Kshs	
Consumable stores		134,254.00		122,335.00
Maintenance stores		3,000.00		6,900.00
Automotive stores		6,550.00		67,900.00
Electrical stores		142,415.00		128,960.00
Cleaning Materials stores		17,805.00		8,440.00
Building department		22,870.00		48,300.00
Hospitality department		51,725.00		105,280.00

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Catering stores	21,350.00	0
Admin	1,020.00	30,000.00
ICT	12,850.00	22,100.00
Sports department	124,300.00	53,500.00
Total Inventories at cost of acquisition	538,139.00	593,715.00

17. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		7%	3%	5%	5%	3%		
At 1 July 2023	11,970,000	53,294,841	1,900,000	1,063,291	4,500,000	133,215,948	3,880,329	209,824,809
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Disposals	0.00	0.00	0.00		0.00	0	0.00	0
At 30th June 2024	11,970,000	53,294,841	1,900,000	1,063,291	4,500,000	133,215,948	3,880,329	205,944,080
At 1st July 2024	11,970,000	53,294,841	1,900,000	1,063,291	4,500,000	133,215,948	3,880,329	209,824,409
Additions	0.00	0.00	0.00	635,200.00	70,000.00	556,115	0.00	1,261,315
Revaluation	1,155,000	(9,728,223)	(116,500)	1,369,369	1,037,021	(5,841,543)	0.00	(12,124,876)
At 30th June 2025	13,125,000	43,566,618	1,783,500	3,067,860	5,607,021	127,930,520	3,880,329	198,960,848
Depreciation And Impairment								
At 1 July 2023	-	5,329,484	475,000	420,476	4,500,400	106,572,759	3,880,329	117,298,119

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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 revalued by Kericho County Government professional valuers on June 2025. These amounts were adopted in the financial statements on fy 2024/2025.

17 (a) 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	13,125,000	0	13,125,000
Buildings	43,566,618	6,528,618	37,038,000
Plant And Machinery	127,930,520	111,901,396	16,029,124
Motor Vehicles including Motorcycles	1,783,500	831,250	952,250
Computers and Related Equipment	5,607,021	4,500,400	1,106,621
Office Equipment, Furniture, And Fittings	3,067,860	500,828	2,567,032
Work in progress	3,880,329	0	3,880,329
Total	198,960,848	124,262,492	74,698,356

18. Intangible Assets

Description	30 th JUNE 2025	30 th JUNE 2024
	Kshs	Kshs
Cost		
At beginning of the year	1,628,803.00	289,178.00
Additions	500,000.00	1,390,000.00
At end of the year	2,128,803.00	1,679,178.00
Impairment loss	(63,864.00)	(50,375.00)
NBV	2,064,939.00	1,628,803.00

19. Biological Assets

	30 th JUNE 2025	30 th JUNE 2024
	Kshs	Kshs
Dairy cows	438,000.00	330,000.00
Trees	1,050,000.00	171,640.00
Total	1,488,000.00	501,640.00

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation	-	1,199,134	356,250	80,352	0	5,328,637	0.00	6,964,373
At 30 June 2024	-	6,528,618	831,250	500,828	4,500,400	111,901,396	3,880,329	124,262,492
At 30th June 2025	-	-	-	-	-	-	-	-
Net Book Values								
At 30th Jun 2024	11,970,000	46,766,223	1,068,750	562,463	0	21,314,552	3,880,329	85,562,317
At 30th Jun 2025	13,125,000	37,038,000	952,250	2,567,032	1,106,621	16,029,124	3,880,329	74,698,356

The work in-progress reported in the above asset schedule is in respect of tuition building that was started in 2022/2023FY and is yet to be completed. This construction was being funded by the fee from students.

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20. Trade and Other Payables

Description	30 th JUNE 2025		30 th JUNE 2024	
	Kshs		Kshs	
Trade payables	5,654,466.00		4,887,558.00	
Total Trade and Other Payables	5,654,466.00		4,887,558.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,312,814.00	23.22		
1-2 years	4,341,652.00	76.78		
Total (to tie to totals above)	5,654,466.00	100	4,887,558.00	100

21. Refundable Deposits from Students

Description	30 th JUNE 2025		30 th JUNE 2024	
	Kshs		Kshs	
Caution money	0		184,600.00	
Total Deposits	0		184,600.00	

The refundable deposits brought forward from the previous accounting period were appropriated to the respective students training fee hence the nil balance reported in the current accounting period.

22. Financial Risk Management

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

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

(i) Credit risk

The kipsinende technical training institute 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.

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The carrying amount of financial assets recorded in the financial statements representing the kipsinende technical training institute's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows: **Financial risk management (continued)**

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

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

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

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

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

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iv) Capital Risk Management

The objective of the kipsinende technical training institute's capital risk management is to safeguard the kipsinende technical training institute's ability to continue as a going concern.

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to the kipsinende technical training institute include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

Government of Kenya

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

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

24. Events After The Reporting Period

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

25. Ultimate And Holding Kipsinende technical training institute

The kipsinende technical training institute is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

26. Currency

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

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13. 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.

S/N	Findings/Objections from Auditor-General	Management comments	Status	Remarks
1	Inaccuracy of total revenue from exchange transactions	The management has confirmed the accuracy of total revenue from exchange transactions	Resolved	
2	Inaccuracy in use of goods and service	The management has corrected the errors on goods and services	Resolved	
3	Inaccuracy of compensation of employees	The management has discovered the errors and correction has been done	Resolved	
4	Unsupported cash and cash equivalent	The management has reconciled the cashbook and bank balances	Resolved	
5	Inaccuracy of receivables from exchange transactions	The accuracy of receivables from exchange has been confirmed	Resolved	
6	Inaccuracy of property, plant and equipment	The management has done valuation of assets	Resolved	
7	Unsupported disclosure of biological asset	The management has done the valuation of biological assets	Resolved	
8	Unsupported trade and other payables from exchange transactions	The management has supported trade and other payables	Resolved	
9	Unsupported refundable deposits from customers		Resolved	

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Reference No. in the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (By when the issue is to be resolved)
10	Irregular presentation of the statement of comparison of budget and actual amounts	The management has presented the budget correctly	Resolved	

26 NOV 2025
PRINCIPAL
 Signature: *[Handwritten Signature]*

Name **HARRISON OKELLO**
 Accounting Officer

Date **28/11/2025**


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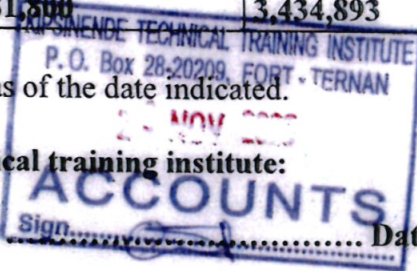
Appendix III- Inter-Entity Confirmation Letter

Confirmation of amounts received by Kipsinende Technical Training Institute for 30th June 2025					
Reference Number	Date Disbursed	Capitation	Scholarship	Total (C)=(A+B)	Remarks
FT24197G3LWX	15/07/2024		499,827.00	499,827.00	
FT24264JJNGD	20/09/2024		275,302.00	275,302.00	
FT24264X16PD			651,561.00	651,561.00	
FT24264TLN2Y			1,054,292.00	1,054,292.00	
FT24267ZDKF5		2,328,800	0	2,328,800	
FT24268WRJX0		0	953,911.00	953,911.00	
FT25045SZDG8		3,653,000	0	3,653,000	
Total		5,981,800	3,434,893	9,416,693.00	

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

Head of Accounts Department -Kipsinende technical training institute:

Name CHIKWENDU DIANA Sign  Date 28/11/2025



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Head of Accounts Department - Beneficiary Kipsinende technical training institute:

Name CHEPKENDEI MACHA Sign [Signature] Date 28/11/2025

