

REPUBLIC OF KENYA



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PAPERS LAID

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OF	TABLED BY:	Hon. Naomi Wago, CBS, MP (Deputy Majority Whip)
	CLERK-AT THE-TABLE:	Inzofu Mutele, HSC

THE AUDITOR-GENERAL

ON

**KAPCHEPKOR TECHNICAL TRAINING
INSTITUTE**

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

BARINGO COUNTY



KAPCHEPKOR 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)**

Kapchepkor 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
TTC	Teacher Training College
TVC	Technical Vocational College
CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PPE	Property Plant & Equipment
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
TVET	Technical, Vocational, Education and Training
MOE	Ministry of education
TVETA	Technical, Vocational, Education and Training Authority
ICPSK	Institute of Certified Public Secretaries of Kenya
IHRM	Institute of Human Resource Management
KIM	Kenya Institute of Management
KISM	Kenya Institute of Supplies Management
CHRPK	Certified Human Resource Practitioners Kenya

B. Definition of Key Terms

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

Comparative Year: Means the prior period.

Accounting officer: Shall refer to the officer responsible for proper management of the KTTI finances as defined by the PFM Act of 2012

Assets: Is an economic resource. Anything tangible or intangible that is owned or controlled to produce positive economic value.

Budget: An estimation of revenue and expenses over a specified future period of time and is usually compiled and re-evaluated on a periodic basis.

Depreciation: The systematic allocation of the depreciable amount of a non-current asset over its useful life.

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

Expenditure: Costs incurred by the polytechnic in the course of doing business.

Financial statements: Are structured financial representation of the financial information and transactions undertaken by an entity.

Imprest: A form of cash advance or a float which the principal may authorize to be issued to officers who in the course of their duty are required to incur official costs, which cannot conveniently be charged to the budget before they are incurred.

Liability: Is a present obligation of KTTI arising from past events, the settlement of which is expected to result in an outflow from the enterprise of resources of economic value.

Long term liabilities: These are financial liabilities resulting from previous events that fall due after one year.

Recurrent Expenditure: An ongoing expenditure of an organization, such as salaries and traveling expenses.

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2. Key Entity Information and Management

(a) Background information

Kapchepkor Technical Training Institute is a public institution established under the Technical and Vocational Education and Training (TVET) Act of 2013. As one of the national Government's key institutions, it is committed to delivering technical and vocational skills through Competency-Based Education and Training (CBET), a transformative approach that plays a pivotal role in realizing Kenya's Vision 2030 and the Big Four Agenda.

The College is located in Baringo County, Baringo North Constituency, at Kapchepkor Market Centre, approximately 5 kilometers off the Kabarnet–Kabartonjo road. It operates under the Ministry of Education through the State Department for Vocational and Technical Training (VTT). The institution is housed in a single-storey building with a lower-ground structure thoughtfully carved from the sloping landscape, offering a functional and accessible learning environment. The College stands on a 12-acre parcel of land, graciously donated by the local community which is a testament to their commitment to education and regional development.

In January 2020, Kapchepkor Technical Training Institute welcomed its inaugural cohort of 156 trainees comprising 101 male and 53 female trainees who were admitted under the guidance of Baringo National Polytechnic, the institution's designated mentor. This mentorship was instrumental in shaping the foundational structures, governance, and academic direction of the Institute during its formative phase.

To support its mission of delivering quality technical education, the College has established five academic departments, each tailored to meet the diverse needs of learners and industry demands. These departments provide specialized training and foster innovation, ensuring that graduates are well-equipped with practical skills and competencies relevant to the modern workforce.

(b) Principal Activities

The Principal activity of the institution is found in Its Mission, Vision and Core Objectives as highlighted below:

Vision

To Be a World Class institution in Development of Skills and Technology for Economic Development

Mission

To Produce Creative and Competent Manpower through Provision of Quality Training In Technical and Essential Skills for the Benefit of Society

Core Values

- Integrity
- Discipline
- Innovation
- Commitment
- Collaboration
- Professionalism

Mandate

To create, promote, and continuously provide relevant and up-to-date technological skills required by an advancing industrial economy.

(c) Key Management

The Kapchepkor Technical Training Institute's day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Management

(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	Elly Koross
2.	Deputy principal Administration	Paul Cheron
3.	Deputy principal Academics	James Kipkazi
4	Registrar	Alex Boit
5	Dean of Students	Nancy Cheruiyot
6	Head of Finance	CPA Stephen Kiptoo
7	Head of Procurement	Nelly Jepkosgei Kibet

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Board has the overall mandate of ensuring the sound management of the College. This includes; approving budget and procurement plan, approving policies, strategic plan, reviewing management implementation of strategies, policies and plans, risk assessment and management and recruitment of staff. The effective operation of the Board is enhanced through clearly mandated Board committees, accompanied by monitoring and reporting systems. Each standing committee has specific roles and responsibilities as set out below;

i) Audit and Risk Management committee.

Their roles include:

- i). To provide strong and effective oversight of the college internal audit function
- ii). Examine internal and external audit reports and recommendations.
- iii). Asses the performance of internal audit function

The committee is composed of the following members.

Sno	Name	Post Held
1	Margaret Ikote	Chairperson
2	Charles Njeru	Member
3	Murila Musungu	Member

ii) Academic, Human Resource and welfare committee

Their roles include:



- i). Receive reports from the Principal, and management on implementation of curriculum in the college and handles any issues and challenges hindering curriculum implementation.
- ii). Authorizes expenditure on acquisition of training materials and resources for Smooth curriculum implementation.
- iii). Reports to the main board on all issues discussed and steps taken by the committee.

The committee is composed of the following members.



Sno	Name	Post Held
1	Julius Tarus	Chairperson
2	Murila Musungu	Member
3	Brenda Kimosop	Member
4	Daniel Cherutoi	Member
5	Elly Koross	Secretary

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3.The Board of Governors

SN.	MemberName	Brief Description
1.	 <p>Designation: Chairperson Name: Eng.Ivan Kelunyo</p>	<p>Eng. Ivan Kelunyo was born in 1974.He is a seasoned professional in the field of architecture and engineering, with a distinguished career spanning over 23 years. He holds Bachelor of Architecture as his key qualification, he has consistently demonstrated expertise and leadership in the built environment. His appointment on 3rd November 2021 marked a significant milestone, recognizing his extensive experience and contributions to the industry. With a deep understanding of design principles and construction practices, Eng. Kelunyo continues to play a pivotal role in shaping sustainable and innovative architectural solutions.</p>
2.	 <p>Designation: Principal Name: Elly Koros</p>	<p>Mr. Elly Korross was born in 1975.He is an accomplished principal with 24 years of experience in education sector and serves as the secretary to the Board. He was first appointed as a principal on 20th December 2019; he holds a Bachelor of Science degree and is known for his strong leadership and commitment to academic excellence.</p>

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<p>3.</p>	 <p>Designation: County Director, TVET Name: Rosemary Kimani</p>	<p>Ms. Rosemary Kimani is a seasoned educationist and environmental expert with advanced degrees in ecology and education. She began her career in teaching and expanded into university lecturing and vocational training. As a registered EIA/EA lead expert and active member of the Environment Institute of Kenya, she has contributed to research and professional development. Currently, she serves as the Regional Director of TVET for Central Rift Valley, overseeing Nakuru and Baringo Counties, where she applies her experience and passion for education and environmental conservation.</p>
<p>4.</p>	 <p>Designation: Member Name: Daniel Cherutoi</p>	<p>Mr. Daniel Cherutoi was born on 31st December 1960. He is a distinguished education professional whose career spans nearly four decades. With 39 years of dedicated service in the education sector, he has cultivated a reputation for integrity, leadership, and unwavering commitment to academic excellence. His key qualification, an Executive Master of Education, reflects his deep understanding of educational systems and strategic management. Appointed on 3rd November 2021, Cherutoi has continued to serve with distinction, bringing seasoned insight and visionary direction to his role.</p>
<p>5.</p>	 <p>Designation: Member Name: John Oloo Gwendo</p>	<p>Mr. John Oloo Gwendo was born on 1st January 1978. He is a seasoned professional in the field of information systems, with a career spanning 22 years. His academic foundation is anchored by a Master of Science in Information Systems from the University of Nairobi, equipping him with advanced expertise in digital infrastructure, data management, and ICT strategy. Appointed on 3rd November 2021, he has continued to demonstrate a strong commitment to technological innovation and organizational efficiency.</p>

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6.	 Designation: member Name: Charles Njeru	<p>Mr. Charles Njeru was born on 2nd December 1986. He is a dynamic professional with 11 years of experience in the field of computer science and statistics. Holding a Bachelor of Science degree in Computer Science with a specialization in Statistics, he brings a unique blend of analytical precision and technological expertise to his role. Since his appointment on 3rd November 2021, Charles has consistently demonstrated a commitment to data-driven solutions, systems optimization, and digital innovation.</p>
7.	 Designation: Member Name: Musungu Murila	<p>Mr. Musungu Murila was born on 25th June 1984. He is a dedicated physicist and educator with 12 years of professional experience in the academic and scientific community. Holding a Master of Science in Physics, he has consistently demonstrated a deep commitment to advancing knowledge and fostering excellence in the field. Since his appointment on 3rd November 2021, Murila has played a vital role in shaping science education, blending theoretical rigor with practical application to inspire learners and support institutional growth.</p>
8.	 Designation: Member Name: Brenda Kimosop	<p>Ms. Brenda Kimosop was born on 29th July 1993. She is a promising architect whose career reflects both technical skill and creative vision. With a Bachelor of Architecture as her key qualification, she has spent the past four years honing her expertise in design, planning, and the built environment. Since her appointment on 3rd November 2021, Brenda has demonstrated a strong commitment to architectural excellence, contributing fresh perspectives and innovative solutions to contemporary design challenges.</p>

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<p>9.</p>	 <p>Designation: Member Name: Margaret Nadupoi Ikote</p>	<p>Ms. Margaret Nadupoi Ikote was born on 10th April 1983. She is a dedicated professional with six years of experience in the field of community development. She holds a Bachelor of Science degree in Community Development, equipping her with the skills and insight to foster inclusive growth and social empowerment. Appointed to the Board on 3rd November 2020, Margaret brings a grounded perspective and a strong commitment to advancing the institution's role in community engagement and sustainable development.</p>
<p>10.</p>	 <p>Designation: Member Name: Julius Tarus Rutto</p>	<p>Mr. Julius Tarus Rutto was born on 7th April 1966. He is a seasoned legal and governance expert with 28 years of professional experience. He was Appointed to the Board on 3rd November 2020. He holds a Bachelor of Laws (LLB) degree and has played a pivotal role in institutional oversight, policy development, and strategic leadership..</p>



Board member tenure of board members expired in November 2024 except for the principal/BOG secretary and County Director, TVET .

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4. Key Management Team

Sn.	Name of the staff	Brief Description
1	 <p>Name: Elly Kipngetich Koross Designation: Principal</p>	<p>Principal Personal Number: 2003065485</p> <p>Mr. Elly Koross, born on 1st December 1975, is a seasoned education leader with 24 years of experience in agricultural education and institutional management. Holding a Bachelor of Science in Agricultural Education and Extension, he has built a career rooted in academic excellence, community engagement, and strategic leadership. Since his appointment on 20th December 2019, he has served as both Principal and Secretary to the Board, where his dual role underscores his pivotal influence in shaping policy, overseeing operations, and driving the institution's vision forward.</p>
2	 <p>Name: Paul Kaptuigoi Cheron Designation: Deputy Principal - Administration</p>	<p>Deputy Principal - Administration Personal Number: 2003065358</p> <p>Mr. Paul Kaptuigoi Cheron was born on 8th August 1972. He is an accomplished education professional with 22 years of experience in the technical and academic fields. He holds a Bachelor of Education in Technology, specializing in Electronics and Electrical Engineering, which has equipped him with a strong foundation in both instructional and administrative leadership. Since his appointment on 6th January 2021 as Deputy Principal in charge of Administration, he has played a key role in managing institutional operations, fostering discipline, and supporting the academic mission of the College with diligence and expertise.</p>


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3	 <p>Name: James Kipkazi Designation: Deputy Principal – Academics</p>	<p>Deputy Principal - Academics Personal Number 1997099275</p> <p>Mr. James Kipkazi, born on 9th August 1972. He is a seasoned academic leader with 28 years of experience in the education sector. He holds both a Bachelor of Education and a Master of Science in Education; he brings a wealth of pedagogical expertise and strategic insight to his role. Appointed as Deputy Principal – Academics on 19th June 2024, he plays a pivotal role in overseeing curriculum implementation, enhancing teaching standards, and fostering academic excellence within the institution.</p>
4	 <p>Name: Stephen Kiptoo Designation: Accountant</p>	<p>Accountant Personal Number: AS011</p> <p>CPA Stephen Kiptoo was born on 25th October 1988. He is a skilled accountant with seven years of professional experience in financial management and business operations. Appointed on 9th June 2023, he brings a solid academic foundation to his role, holding a Bachelor of Commerce in Accounting, CPA K certification, and a Diploma in Business Management. His expertise spans financial reporting, budgeting, and compliance, making him a valuable asset in ensuring fiscal discipline and operational efficiency.</p>

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5	 <p>Name: Nelly Jepkosgei Kibet Designation: procurement officer</p>	<p>procurement officer Personal Number:AS008</p> <p>Ms. Nelly Jepkosgei Kibet was born on 25th November 1995. She is a dedicated procurement professional with three years of experience in supply chain management. She holds a Bachelor’s degree in Procurement and Supply Chain Management, which has equipped her with a strong foundation in sourcing, logistics, and contract administration. Appointed as a Procurement Officer on 1st February 2023, Nelly continues to apply her skills with precision and efficiency, contributing to streamlined operations and value-driven procurement practices within her organization.</p>
6	 <p>Name: Alex Boit Designation: Registrar</p>	<p>Registrar Personal Number:20200269140</p> <p>Mr. Alex Boit, born on 31st December 1991, is a dedicated professional in the field of information technology with four years of experience. Holding a Bachelor of Science in Information Technology, he brings a strong foundation in digital systems, data management, and institutional operations. Since his appointment as Registrar on 9th January 2023, Alex has played a key role in streamlining administrative processes, enhancing record-keeping efficiency, and supporting the digital transformation of academic services.</p>

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7	 <p>Name: Nancy Cheruiyot Designation: Dean of Students</p>	<p>Dean of students Personal Number:20200015780</p> <p>Ms. Nancy Cheruiyot, born on 17th May 1993, is a dedicated professional in the field of electronics and electrical engineering, with four years of experience in academic and student affairs. Holding a Bachelor of Science in Electronics and Electrical Engineering, she brings a strong technical foundation and a structured approach to her role. Since her appointment as Dean of Students on 9th January 2023, Nancy has been instrumental in fostering a supportive and inclusive environment for learners, guiding student welfare initiatives, and promoting holistic development</p>
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Key Entity Information and Management (Continued)

iii) Finance and Infrastructure Committee

Their roles include.

- i). Receive reports from the Principal, and management on implementation of capital projects.
- ii). Authorizes expenditure on acquisition of training materials and resources.
- iii). Scrutinize annual budget prior to presentation to the full Board.

The committee is composed of the following members.

Sno	Name	Post Held
1	Julius Traus	Chairperson
2	Murila Musungu	Member
3	Brenda Kimosop	Member
4	Elly Koross	Secretary

iii. Technical Committee (Education, Training and Human Resource)

Their roles include.

- a) Monitors the delivery of training to maintain high standards and compliance with TVET Authority guidelines
- b) Reviews training outcomes, student performance, and institutional effectiveness to inform strategic decisions.
- c) Advises on hiring qualified trainers and promotes continuous professional development, including industrial attachments for instructors.

Sno	Name	Post Held
1	Daniel Cherutoi	Chairperson
2	Charle Njeru	Member
3	Gwendo Oloo	Member
4	Elly Koross	Secretary

(f) Entity Headquarters

Kapchepkor Technical Training Institute Headquarters

P.O. Box 288- 30401,
Kabartonjo off Kabarnet - Kabartonjo road
Baringo Kenya.

(g) Entity Contacts

Telephone: 0758466456
Email: baringonorthtvc@gmail.com

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Key Entity Information and Management (Continued)

(h) Entity Bankers

Kenya Commercial Bank

Kabartonjo Branch

Bank Account Numbers.

1320538576 -Operation Account

1279478691-Fees Collection Account

1320538576 -Development Account

1284341690 -(NG - CDF Account)

Kenya Commercial Bank

Kabarnet Branch

Account Number:

1279478691-Operations/Fees collection account

(i) Independent Auditors

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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5. Chairman's Statement

On behalf of the Board of Governors, I am pleased to present the Annual Financial Statements and Report for Kapchepkor Technical Training Institute for the year ending 30th June 2025. The year has been marked by significant strides in financial stability, operational efficiency, and institutional expansion. Kapchepkor Technical Training Institute continues to fulfill its mission of empowering youth through the provision of technical and technological knowledge, skills, and values that enhance productivity, foster innovation, and contribute meaningfully to the socio-economic development of Baringo County and the nation at large.

Since its inception, the Institute has remained committed to improving service delivery through teamwork, visionary leadership, and coordinated efforts, enabling it to maintain a competitive edge in the dynamic education sector. Among the key achievements during the year were the enhancement of internet connectivity through the installation of Starlink satellite equipment, increased student enrolment, improved performance in KNEC and CDACC examinations, and capacity building for trainers on modular curriculum implementation. The completion of a 56-bed hostel funded by the African Development Bank and the establishment of a tree nursery with 20,000 seedlings further underscored the institution's growth and commitment to sustainability.


These accomplishments were made possible through robust government support, both financial and through centralized student placement via KUCCPS as well as the steadfast contribution of the local community. However, the Institute continues to face several challenges, including limited boarding facilities and inadequate community accommodation, delays in disbursement of capitation and scholarships under the new funding model, insecurity in parts of the catchment area, financial constraints among students, and the absence of a college title deed due to slow processing by the originating secondary school.

To address the rising enrolment, the Institute recruited additional trainers through the Public Service Commission. During the 2024/2025 financial year, the AFDB-funded hostel was completed and officially handed over by the Contractor. Tree nursery initiative was successfully launched with 20,000 tree seedlings.

Looking ahead, the Institute remains hopeful that its partners will support the development of additional infrastructure to accommodate the growing student population.

In conclusion, I extend my sincere gratitude to the Board of Governors, the Principal, the management team, staff, and students for their unwavering dedication and contributions to the continued success of Kapchepkor Technical Training Institute in the financial year 2024/2025.


.....
Eng. Ivan Kelunyo
Chairperson Board of Governors



6. Report of the Principal

It is with great pride and appreciation that I present this report on behalf of the Board of Governors of Kapchepkor Technical Training Institute, reflecting the institution's progress and achievements during the year under review.

Since its establishment on 9th September 2019, Kapchepkor Technical Training Institute has grown remarkably, beginning with an initial intake of 206 students and now boasting an enrolment of 856 learners across five vibrant departments: Building and Civil Engineering; Computing, Informatics, Business and Liberal Studies; Electrical and Electronics Engineering; Hospitality and Institutional Management; and Hairdressing and Beauty Therapy. The institute currently offers 28 course levels under the Competency-Based Education and Training (CBET) curriculum, examined by TVET-CDACC, including Diploma (Level 6), Craft (Level 5), and Artisan (Levels 3 & 4).

Our commitment to industry collaboration has enabled us to design and implement programs that equip learners with relevant knowledge, skills, values, and attitudes essential for personal growth and national development. To further enhance service delivery, we are implementing Performance Contracting and finalizing our Strategic Plan, which will soon be officially launched.

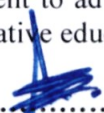
A significant milestone was achieved on 26th January 2023 when the institution was officially registered with TVETA under its new name, Kapchepkor Technical Training Institute. This change, prompted by community input, aligns the college with other local institutions such as Kapchepkor Primary School, Kapchepkor High School, and Kapchepkor Dispensary.

During this period, the college successfully enrolled 865 new students, a result of strategic marketing efforts and strong community support. Another major achievement was the completion and official handover of a 56-bed hostel funded by the African Development Bank (AfDB) to the State Department of TVET, significantly improving our accommodation capacity.

In line with our strategic goal to promote environmental sustainability, the institute established a tree nursery and planted 10,000 seedlings, some of which were distributed to the local community as part of our corporate social responsibility initiatives.

I extend my sincere gratitude to the Government for its unwavering support and to our partners, collaborators, and friends for their financial, material, and moral contributions. The achievements of this year were made possible through the collective efforts of the Ministry of Education, stakeholders, the Board of Governors, the management team, staff, and students. Their dedication has fostered an environment of peace, stability, and progress.

As we look ahead to the new financial year and beyond, I remain confident in our shared commitment to advancing the mission of Kapchepkor Technical Training Institute and delivering transformative education to our community.

.....

Elly Kipngetch Koross
Principal / Secretary to the Board of Governors

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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 Kapchepkor Technical Training Institute’s performance against predetermined objectives.

The College had four strategic pillars and objectives within its current Strategic Plan for the Financial Year 2024- 2025. These strategic pillars are as follows:

- Pillar 1: Curriculum implementation
- Pillar 2: Infrastructure development
- Pillar 3: Institute corporate image
- Pillar 4: Environment conservation

The college develops its annual work plans based on the above four pillars. Assessment of the Board’s performance against its annual work plan is done every quarter. The College partially achieved its performance targets set for the Financial Year 2024-2025 period for its four strategic pillars, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategic Issue 1: Curriculum	To enhance academic excellence	To enhance ICT infrastructure at the institute	Create the infrastructure for Jitume lab Expand the Wifi connectivity	100% complete
Strategy 3: Infrastructure	To design and construct and equip new classrooms	Target to design and build four additional lecture rooms	Design four new lecture rooms Construct four new lecture rooms	Architectural Designs completed 100%
Strategy 5: Institute Image	Conduct outreach campaigns Do widespread marketing outreach to the community	Target to admit about 850 trainees annually	Number of trainees admitted	856 New students enrolled
	Increase the institute’s social media presence Put up signposts at a strategic point	Four new signposts at various road junctions to promote the institute's media presence	Signposts erected	100% completed
Strategic Issue 7: Environment	Promotion of environmental conservation	Target to develop a tree and fruit nursery at the institute	Introduce a tree nursery	100% complete
			Improve on tree planting activities	100 % complete

8. Corporate Governance Statement

The current Board of Governors was appointed into office on 3rd November, 2021 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

The Board of Governors have been forging a united front in confronting challenges facing the institution since inception in 2013 and then grew consistently.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it enhances stakeholder confidence.

The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in her relationships with all customers, employees, and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability, and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are considered while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity, and rule of law.

The Board of Governors is the representative of the stakeholders and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy, and nurturing the next generation of leaders. The board is responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practice of the College.

THE BOARD CHARTER

1. Purpose

This charter sets out the key values and principles of the Board of Governors of the Kapchepkor Technical Training Institute. It provides a concise overview of:

1. The role and responsibilities of the Board of Governors.
2. Powers of the board and board committees.
3. Separation of roles between the Board and Management.
4. The practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

2. Role of The Board

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.
- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.

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- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. Matters Reserved for The Board

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day-to-day powers and duties to the principal and to the Management Team as required by law.

4. Delegation of Authority

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authority must emanate from the Board.
- b) In establishing delegated authority, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.
- c) The Principal must raise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

5. Composition of the Board

- a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT and Finance & Engineering.
- b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

5.1. Appointment and Remuneration of Board members

- a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.
- b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.
- c) The number of Board members shall be as determined by the TVET Act 2013.
- f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.
- g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

6. Board Independence

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another to promote independent and objective judgment.

7. Access to Information and Independent Advice.

- a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.
- b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

8. Board Training

- a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management, and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.
- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

9. Board Evaluation

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.
- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.

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

c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

10. Role of the Chair and Secretary

The Chair is appointed by the Cabinet Secretary for Education. The Secretary, who is the Principal, shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings.
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified.
- e) Develop the strategy of the College, together with the principal, and ensure the Board is fully appraised and can debate the strategic direction of the College.
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal.
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff, and the communities within which the College operates.
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College.
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole.
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College.
- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance.
- l) Manage the training needs of each board member and ensure development.
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented.
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to.
- c) Co-ordinate the operations of the various departments within the College.
- d) Establish and maintain efficient and adequate internal control systems.
- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College

f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:

- i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
- ii) Capital structure and adequacy.
- iii) Performance of students.
- iv) Income and expenses.
- v) Income: sources and distribution profile.
- vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
- vii) Any other duties as may be assigned by the Board from time to time.

11. Duties of Board Members

Each Board member shall have the fiduciary duty to;

- a) Exercise a reasonable degree of care, skill and diligence.
- b) Act in good faith and in the best interests of the College and not for any other purpose.
- c) Act honestly at all times and must not place them-selves in a situation where personal interests conflict with those of the College;
- d) Exercise independent judgment at all times;
- e) Devote sufficient time to carry out their responsibilities and enhance their skills;
- f) Promote and protect the image of the College;
- g) Owe their duty to the College and not to the nominating authority; and
- h) Owe the College a duty to hold in confidence all information available to them by virtue of their position as a Board member.

12. The Secretary

The Principal appointed by the Public Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Board activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

13. Board Committees

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
 - 1. Audit and Risk Management Committee
 - 2. Finance & Infrastructure Committee
 - 3. Academics, Human Resource, and welfare committee
 - 4. Technical Committee (Education, Training and Human Resource)
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

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

9. Management Discussion and Analysis

The College operational and financial performance

The operational and financial performance of Kapchepkor Technical Training Institute is as shown below.

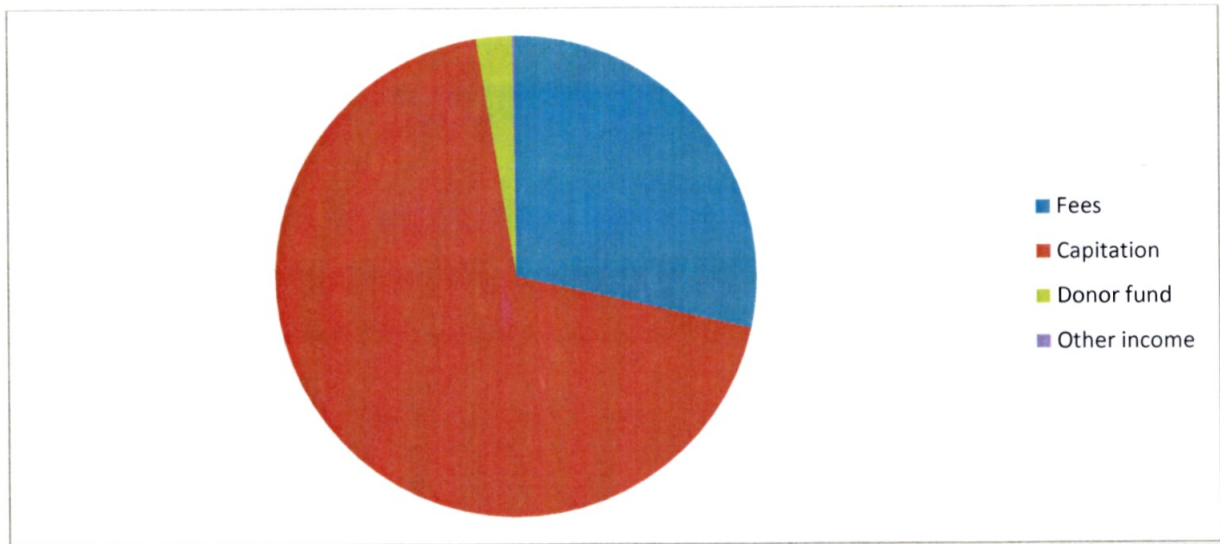
I. Revenue analysis Revenue Collection

During the financial year 2024-2025, the college managed to collect actual **Kshs 71,469,842**.

Our collections across our budget lines were as follows:

Serial Number	Revenue description	Actual
1	Fees	20,368,751
2	GOK Grant	61,848,366
3	Donor fund	1,740,018
4	Transfers	523,985
5	Other income	133,650
	Total Kshs	84,578,770

Analysis of Revenue



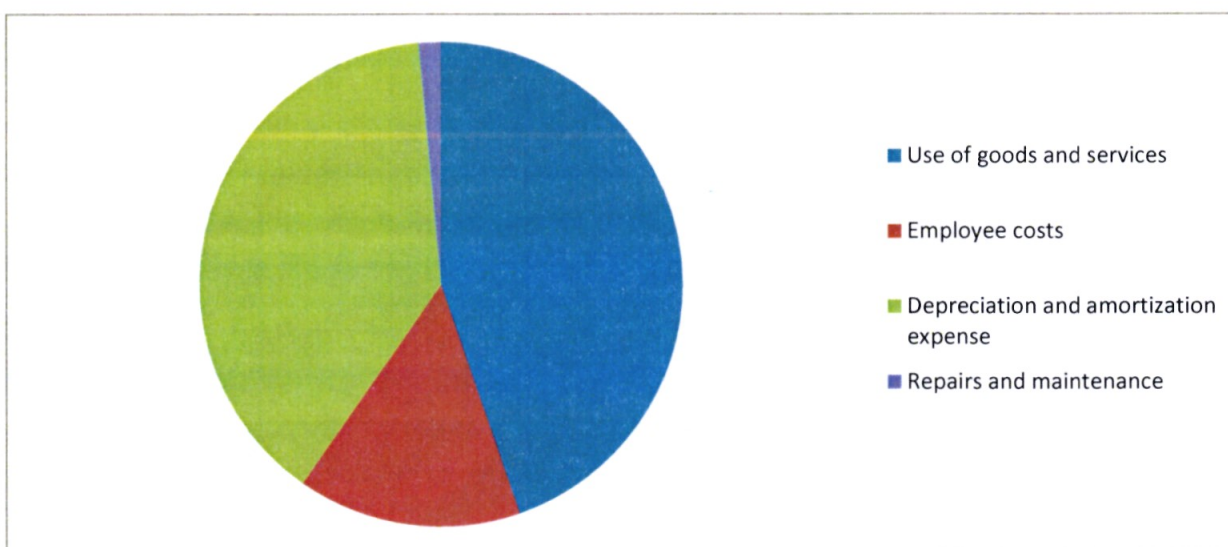
Kapchepkor Technical Training Institute
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II. Expenditure Analysis.

In the financial year 2024-2025, the College incurred the following expenditure,

Serial Number	Vote heads	Actual
1	Use of goods and services	11,957,126
2	Employee costs	4,011,556
3	Depreciation expense	1,650,676
4	Repairs and maintenance	398,654
	Total expenses	17,260,463

Expenditure analysis



College compliance with statutory requirement

Kapchepkor Technical Training Institute financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

Total exposure

The College going concern is not in doubt and has no on-going or potential court cases that may expose it into potential contingent liability. Furthermore, the institution has complied with statutory obligation and requirements. In addition, the financial statements have been prepared on a going concern basis that depicts the entity's ability to continue as a going concern.

Kapchepkor Technical Training Institute
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Major risks facing the college.

Major risks to the college are:

- i. Low student enrolment: We are conducting several college marketing initiatives and are hopeful they will boost the student enrolment numbers come the next financial year and, in the years, to follow.
- ii. Inadequate infrastructure leading to Inability to maintain and enhance growth in courses/expansion of programs
- iii. Capitation/scholarship grants cannot be relied upon as a source of income. It may not be possible to claim or collect from the government capitation arrears for past financial period even when our returns were in order. It is also difficult to collect grant promises which are factored into our budgets.
- iv. We are exposed to credit related losses in the event of non-performance by Ministry of Education, trainees, and other paying stakeholders.
- v. The College revenue from our trainees is a significant portion of overall revenue. There is need to diversify our revenue sources away from student led revenue streams to enhance sustainability. To this end, we endeavour to encourage departments to initiate income generating activities (IGAs)
- vi. A cyber-attack on or disruption to our IT systems or other systems utilized in our operations could compromise our operations, adversely impact our reputation, and subject us to liability.

Reporting framework

The College first adopted the International Public Sector Accounting Standards (IPSAS)-Accrual in the financial year 2022-2023.

The presentation of financial statements under review is in conformity with International Public Sector Accounting Standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis as per International Public Sector Accounting Standard (IPSAS 1(13))

Material arrears in financial obligations

The pending bills at the close of the financial year stood at **Kshs 63,188**. All this incurred to make the College more hospitable for learners as we pursue our mandate.

The College financial probity and serious governance issues

During the financial year 2024-2025 there was no major financial improprieties reported by agencies on oversight that came to the knowledge of management. In addition, the College does not have serious governance issues among the Board of Governors and the Top Management including conflict of interest. Being the first point of oversight, the Board in its calendar has scheduled quarterly meetings of the Audit and Risk Management Committee to strengthen the oversight on the execution of the budget

10. Environmental and Sustainability Reporting Statement

During the 2024/2025 reporting period, Kapchepkor Technical Training Institute aligned its sustainability efforts with global frameworks such as the UN Sustainable Development Goals (SDGs), Kenya Vision 2030, and the Climate Change Act 2016, focusing on environmental conservation, inclusive procurement, and ethical service delivery. Key achievements included the planting of over 10,000 trees, implementation of waste segregation and energy-saving measures, automation of services, and awarding contracts to youth, women, PWDs, and local suppliers through open tendering. Despite challenges such as limited funding, climate-related setbacks, and low uptake of digital platforms, the institution implemented mitigation measures including stakeholder engagement, digital literacy training, and community collaboration for sustainability. Through its service charter, environmental actions, and inclusive procurement, the College demonstrated its commitment to responsible governance and sustainable development.

Environmental performance

Kapchepkor Technical Training Institute is dedicated to implementing sustainable environmental practices in alignment with Kenya's national climate action plans and the Environmental Management and Coordination Act (EMCA), 1999.

Implementation Highlights:

- **Tree Planting & Biodiversity Conservation:** More than 10,000 trees have been planted within the institution.
- **Waste Management:** The institution has adopted waste segregation through labeled bins, reduced the use of plastic bottles, embraced paperless systems, and implemented recycling and composting practices.
- **Pollution Control:** Regular maintenance of institutional infrastructure and increased use of virtual meetings have helped reduce the College's carbon footprint.
- **Climate-Smart Infrastructure:** Initiatives include the installation of solar-powered lighting, construction of eco-toilets and adoption of LED lighting and energy-efficient appliances.
- **Environmental Awareness:** Continuous sensitization on climate change is conducted through forums and workshops for staff and students.

Employee welfare

The institution is in a process of developing a comprehensive Human Resource Policy that will outline terms of service, in consultation with stakeholders and in adherence to relevant legal frameworks. This will outline clear career progression guidelines, detailing job descriptions, recruitment standards, and staff development through targeted training.

Employee training needs are identified annually, with staff performance monitored through structured appraisal systems. To promote a safe and healthy work environment, the institution implements a Health and Safety Policy aligned with the Occupational Safety and Health Act, 2007.

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Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Kapchepkor Technical Training Institute promotes integrity and fairness through responsible competition and efficient service delivery.

Responsible Competition:

The institution enforces an anti-corruption policy with confidential reporting channels. Procurement is conducted through open tendering in line with legal requirements. It maintains ethical standards, respects other institutions, and avoids political interference by adhering strictly to policy and legal frameworks.

Improved Service Delivery

Service delivery is enhanced through a publicly displayed service charter, automated systems for key services, and adoption of cashless payment platforms. Public sensitization efforts, including outreach and open days, keep stakeholders informed. Brand reputation is safeguarded through consistent service quality and value-driven operations.

b) Responsible Supply chain and supplier relations

Kapchepkor Technical Training Institute promotes ethical business conduct and responsible supplier relationships by honoring contractual obligations, ensuring timely and transparent payments, and conducting open and competitive procurement in line with the Public Procurement and Asset Disposal Act. Regular supplier engagement, clear communication, and strict adherence to ethical and legal standards help maintain trust, accountability, and operational efficiency. In the coming financial year, the institution will be implementing Electronic Government Procurement (eGP)

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

Kapchepkor Technical Training Institute promotes ethical and responsible communication by providing honest, accurate, and inclusive information through its marketing and outreach efforts. The institution engages the public via media briefings, forums, and open days and organizing forums through county commissioners office, ensures respectful and culturally sensitive messaging, maintains transparency on its digital platforms, and regularly consults stakeholders for feedback. These practices enhance public trust, uphold institutional integrity, and support informed decision-making

d) Product stewardship or Awareness Creation

Kapchepkor Technical Training Institute promotes ethical service delivery and protects stakeholder rights through key initiatives. It ensures health and safety in line with the Occupational Safety and

Health Act, provides clear service information (including NHIF, NSSF, and student services), and has established fair and confidential grievance redress mechanisms. The institution safeguards personal data under the Data Protection Act, 2019, and raises awareness on citizens' rights such as legal representation, access to essential services, peaceful demonstration, and whistleblower protection through counselling and outreach programs.

Corporate Social Responsibility / Community Engagements

In the financial year 2024/2025, Kapchepkor Technical Training Institute demonstrated its commitment to environmental stewardship through a robust corporate social responsibility (CSR) initiative focused on afforestation and community engagement. As part of this initiative, the institute distributed 4,000 tree seedlings to local chiefs across Baringo County. This strategic move not only empowered community leaders to champion environmental conservation but also fostered a sense of shared responsibility in greening the region.

In addition to the distribution, the institute led a large-scale tree planting exercise, successfully planting 5,000 trees at Katimok Forest and Kapchepkor Primary School. These locations were carefully selected for their ecological and educational significance. Katimok Forest, a vital natural resource in the area, benefited from increased tree cover, contributing to biodiversity restoration and climate resilience. Additionally, planting trees at Kapchepkor Primary School served both environmental and educational purposes by instilling conservation values in young learners and improving the school's landscape.

This initiative aligns with the institute's strategic goal of promoting sustainable management of a clean and presentable environment. It also reflects the broader mission of Kapchepkor Technical Training Institute to integrate environmental consciousness into its training programs and community outreach. By involving local leaders and institutions, the college not only extended its impact beyond campus boundaries but also strengthened its ties with the community, reinforcing its role as a catalyst for positive change in the region.

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

11. Report of the Board of Governors

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

Principal activities

The principal activities of the entity are Training

Results

The results of the entity for the year ended June 30 are set out on page 1-30

Board of Governors

The members of the Board who served during the year are shown on page xi-xiv

Auditors

The Auditor General is responsible for the statutory audit of the Kapchepkor Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Kapchepkor Technical Training Institute for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Elly Koross
Principal/Secretary of the Board

Date:.....

12. Statement of Board of Governors/ Council's Responsibilities

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

The Board are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the entity 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 entity.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the entity.
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Kapchepkor Technical Training Institute 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 Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state Kapchepkor Technical Training Institute transactions during the financial year ended 30 June 2025 and of the entity's financial position as at that date. The Board, further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Kapchepkor Technical Training Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kapchepkor Technical Training Institute financial statements were approved by the Board on August 29, 2025 and signed on its behalf by the Chairperson of the Board and the Principal.

.....
Eng. Ivan Kelunyo

Chairperson of the Board



.....
Elly Koross

Principal/Secretary to the Board

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KAPCHEPKOR TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025 – BARINGO COUNTY

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 Kapchepkor Technical Training Institute set out on pages 1 to 33, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position Kapchepkor 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 and the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Comparative Balances

The statement of changes in net assets reflects opening accumulated fund balance of Kshs.58,279,487 and closing balance of the fund of Kshs.124,976,245. However, the source of the opening balance could not be established since it was the first year of reporting by the Institute. Similarly, the statement of cash flows reflects cash and cash equivalents balance of Kshs.9,608,219 which includes cash and cash equivalents as at July 1 balance of Kshs.6,247,776 which was not supported with verifiable documents.

In the circumstances, the accuracy of the comparative balances brought forward from the financial year 2023/2024 could not be confirmed.

2. Unsupported Rendering of Services - Fees from Students

The statement of financial performance reflects revenue from rendering of services - fees from students of Kshs.20,368,751 as disclosed in Note 9 to the financial statements. However, review of the supporting documents including revenue ledgers, revealed that the revenue ledger did not include revenue stream/source, payees, date, transaction and reference number. There were also inconsistencies in the receipt numbers while some receipt numbers were missing for the months provided and the respective account numbers where the revenue received were credited were missing. Further, revenue ledger provided did not include receipts for the months of July, August, September, October and December, 2024. In addition, Management did not provide the list of students enrolled in the Institute, admission registers and the academic progress status.

In the circumstances, the accuracy and completeness of revenue from rendering of services - fees from students of Kshs.20,368,751 could not be confirmed.

3. Unsupported Travelling and Accommodation Expenses

The statement of financial performance reflects use of goods and services expenditure of Kshs.11,957,126 which includes an amount Kshs.2,503,918 in respect of travelling and accommodation expenses as disclosed in Note 11 to the financial statements. However,

the amount was not supported with relevant documents including work tickets, fuel register and conference attendance register.

In the circumstances, the accuracy and completeness of use of goods and services expenditure of Kshs.2,503,918 could not be confirmed.

4. Unsupported Administrative Expenses

The statement of financial performance reflects use of goods and services expenditure of Kshs.11,957,125 which includes an amount of Kshs.1,439,132 in respect of administrative expenses as disclosed in Note 11 to the financial statements. However, the amount was not supported with documents including expenditure schedules, sale receipts, counter receipt voucher and store ledger registers.

In the circumstances, the accuracy and completeness of the administrative expenses of Kshs1,439,132 could not be confirmed.

5. Unsupported Current Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.64,244,779 as disclosed in Note 17 to the financial statements. However, the balance was not supported with relevant schedule including the breakdown of the student debtors' periods. Further, review of ageing analysis in Note 17(b) revealed that the balance of Kshs.64,244,779 included a balance of Kshs.21,138,841 or 33% of the receivables which was outstanding for more than two (2) years. In addition, no provision for doubtful debts was provided for in the financial statements.

In the circumstances, the accuracy, completeness and recoverability of the current portion of receivables from exchange transactions balance of Kshs.64,244,779 could not be confirmed.

6. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.50,393,558 as disclosed in Note 23 to the financial statements. However, the balance was not supported with documents including assets register, procurement records, ownership documents and valuation reports.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.50,393,558 could not be confirmed.

7. Unsupported Construction of Hostel Block

The statement of financial position reflects property, plant and equipment balance of Kshs.50,393,558 which includes balance of Kshs.48,763,595 in respect of building for construction of a hostel block and as disclosed in Note 23 to the financial statements. However, the balance was not supported with documents including procurement

document in respect of identification of the contractor and contract agreement indicating the contract sum, terms of the contract and the contract period, minutes by the project implementation committee and evidence of that the works were certified by clerk of works before payments.

In the circumstances, the accuracy, completeness and propriety of property, plant and equipment balance of Kshs.48,763,595 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kapchepkor 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 receipts budget and actual on comparable basis of Kshs.96,250,532 and Kshs.84,705,756 respectively resulting in under-funding of Kshs.11,544,776 or 12% of the revenue budget. Similarly, the statement reflects actual expenditure of Kshs.65,124,267 in respect of recurrent and capital expenditure against actual receipts of Kshs.84,705,756 resulting to under absorption of Kshs.19,581,489 or 23% of the actual receipts.

The under-funding and under absorption affected the planned activities of the Institute which 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 Information

The Management is responsible for the Other Information set out on page vi to xxxv which comprise of Key Entity Information and Management, Board of Governance, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting

Statement, Report of the Board of Governance and Statement of Board of Governance Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Prepare and Submit Quarterly Financial Reports

The statement of financial performance reflects total revenue of Kshs.84,714,770. However, Management did not provide evidence to confirm that quarterly financial reports were prepared and submitted to the National Treasury. This was contrary to Section 83(1) and (3) of the Public Finance Management Act, 2012 which provides that an accounting officer for a National Government entity shall prepare a report for each quarter of the financial year in respect of the entity and not later than fifteen days after the end of each quarter, submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

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

2. Failure to Maintain an Imprest Register

During the year under review, the Institute issued imprests to various staff amounting to Kshs.2,503,918 in respect of travel and accommodation and as disclosed in Note 11 to the financial statements. However, Management did not maintain an imprests register to

record imprests issued. This was contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires that before issuing temporary imprests the accounting officer shall ensure that the applicant imprest has been recorded in the imprest register including the amount applied for.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Maintain Updated Assets Register

During the year under review Management did not maintain an updated assets register. Further, audit inspection of the institution's assets revealed the assets were not tagged. This was contrary to Regulations 143(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that the accounting officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, internal controls on management of fixed assets could not be confirmed.

2. Lack of Human Resource Policy

During the year under review the Institute did not have an approved human resource policies and procedures manual to guide on minimum qualification or experience of staff, training and continuous development of employees and skills retention and monitoring of their competency.

In the circumstances, the effectiveness of internal controls on human resource management could not be confirmed.

3. Lack of Risk Management Policy and Risk Register

During the year under review, the Institute did not have a Risk Management Policy and risk register. This was contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which requires the accounting officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In circumstances, the effectiveness of risk managements systems at the Institute could not be confirmed.

4. Lack of Internal Audit Function

During the year under review, the Institute did not have an internal audit function. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which provides that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the existence of effective mechanisms and processes for review and evaluation of budgetary performance, financial management, transparency and accountability could not be confirmed.

5. Lack of Audit Committee

During the year under review, the Institute did not have an audit committee. This was contrary to Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that each National Government entity shall establish an audit committee.

Lack of audit committee may lead to reduced oversight of financial reporting which may increase risk of errors, misstatements or even fraud in financial records and reports.

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 Governance

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

The Board of Governance 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

16 December, 2025

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

	Notes	Period ended June 30, 2025
		Kshs
Revenue from Non-Exchange transactions		
Transfers from other National Government entities	6	61,848,366
Grants from Donors and Development Partners	7	1,740,018
Transfers from other levels of government	8	623,985
Revenue from Non-Exchange transactions		64,212,369
Revenue from Exchange transactions		
Rendering of services- fees	9	20,368,751
Other Incomes	10	133,650
Revenue from Exchange transactions		20,502,401
Total Revenue		84,714,770
Expenses		
Use of goods and services	11	11,957,126
Employee costs	12	4,011,556
Board Expenses	13	0
Depreciation and amortization expense	14	1,650,676
Repairs and maintenance	15	398,654
Total Expenses		18,018,012
Net surplus for the year		66,696,758

The notes set out on pages 1 to 30 form an integral part of the Annual Financial Statements

The Financial Statements set out on pages 1 to 30 were signed by:


.....

Eng. Ivan Kelunyo
Chairman of the Board


.....

Elly Koross
Principal/Secretary to the Board


.....

CPA Stephen Kiptoo
Accountant


Date: 29/08/2025
DIRECTOR
NAKURU & DISTRICT
P.O. Box 15880 - 20100, NAKURU
MINISTRY OF EDUCATION
STATE DEPT FOR TECHNICAL, VOCATIONAL
EDUCATION & TRAINING


Date: 29/8/25
KAPCHEPKOR TECHNICAL TRAINING INSTITUTE
Box 288-30401, KABARTONIO
0758 466 456


Date: 26 AUG 2025
KAPCHEPKOR TECHNICAL TRAINING INSTITUTE
ACCOUNTS
ICPAK No 29390
P.O. Box 288-30401, KABARTONIO
0758 466 456

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

Description	Notes	Period ended
		June 30, 2025
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	16	9,608,219
Current portion of receivables from exchange transactions	17	64,244,779
Inventories	18	456,022
Total Current Assets		74,309,019
Non-Current Assets		
Property, plant, and equipment	23	50,393,558
Intangible assets	19	4,130,000
Total Non-Current Assets		54,523,558
Total Assets (A)		128,832,577
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	20	3,193,188
Refundable deposits from customers	21	64,000
Prepayments	22	599,144
Total Current Liabilities		3,856,332
Total Liabilities (B)		3,856,332
Net Assets (A-B)		124,976,245
Represented By:		
Accumulated Surplus	27	124,976,245
Net Assets		124,976,245

The Financial Statements set out on pages 1 to 30 were signed by:



Eng. Ivan Kelunyo
 Chairman of the Board



Elly Koross
 Principal/Secretary to the Board



CPA Stephen Kiptoo
 Accountant
 ICPAK No 29390



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, 2024	-	58,279,487	-	58,279,487
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	66,696,758	-	67,636,750
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	-	124,976,245	-	124,976,245

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

Description		Period ended June 30, 2025
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other National Government entities	6	61,848,366
Grants from Donors and Development Partners	7	1,740,018
Transfers from other levels of government	8	623,985
Rendering of services- fees from students	9	20,368,751
other income	10	133,650
Total Receipts		84,578,770
Payments		
Use of goods and services	11	11,957,126
Employee costs	12	4,011,556
Board /Council Expenses	13	-
Repairs and maintenance	15	398,564
Total Payments		16,367,246
Net Cash Flows from operating activities		68,211,525
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	23	-49,960,645
Net Increase/(Decrease) in Cash and Cash equivalents		
Cash and Cash equivalents at 1 July	16	6,247,776
Cash and Cash equivalents at 30 June	16	9,608,219

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Receipts						
Development Grant	48,756,931	-	48,756,931	48,756,931	0	100.00%
Transfers from other National Government entities	13,084,771	-	13,084,771	13,084,771	0	100.00%
Transfers from other levels of government		-		523,985	523,985	-
Rendering of services- fees from students	34,408,830	-	34,408,830	20,502,401	-13,906,429	59.58%
Grants from Donors and Development Partners	-			1,174,018	1,174,018	0.00%
Other Income		-	0	133,650	133,650	
Total Receipts	96,250,532	-	96,250,532	84,705,756	-11,518,776	
Use of goods and services	39,188,265		39,188,265	11,957,126	27,231,139	30.51%
Employee costs	5,751,336		5,751,336	4,011,556	1,739,780	69.75%
Board /Council Expenses	604,000		604,000	-	0	
Repairs and maintenance	600,000		600,000	398,654	201,346	66.44%
Contracted services	1,350,000		1,350,000	0	1,350,000	0
Total Expenditure Payments	47,493,601		47,493,601	16,367,336	17,494,713	
Capital Expenditure Payments	48,756,931		48,756,931	48,756,931		
Total budget	96,250,532		96,250,532	19,581,489		

Budget notes

1. The variance in rendering of services was caused by low student enrolment
2. The variance in use of goods was caused by less revenue generated during the year
3. The variance in employee cost was due to some staff absorbed by public service commission
4. The variance in contracted services is due to valuation and tagging of assets that was not conducted due to insufficient funds.
5. The variance in board expenses was due to lapse of board tenure.

Budget Reconciliation

	Description of Particulars	Amount in KShs
	Actual Surplus Amounts as per the statement of Budget	(17,494,713.00)
1	Difference in rendering services	(13,906,429.00)
2	Difference in donors and development partners	(1,740,018.00)
3	Difference for Use of goods and services	27,231,139.00
4	Difference for repair and maintenance	201,346.00
5	Difference for Employee costs	(1,739,780.00)
6	Difference for Contracted services	(1,350,000.00)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	9,608,219

19. Notes to the Financial Statements

1. General Information

Kapchepkor Technical Training Institute is established by and derives its authority and accountability from TVET Act of 2023. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Training.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2025

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

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

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

<p>IPSAS 43: Leases</p>	<p>Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <ul style="list-style-type: none"> • This standard has no impact on our institution
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <ul style="list-style-type: none"> • The standard will Enhance Asset Management: The institution will need to identify and classify assets held for sale, ensuring such assets are measured at the lower of carrying amount or fair value less costs to sell, promoting transparency in asset disposal.
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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	<ul style="list-style-type: none"> The Institution has no heritage asset and therefore this standard is not relevant.
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. Clarifying transaction costs guidance to enhance consistency across IPSAS. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <ul style="list-style-type: none"> Improved Financial Reporting: TVET institutions will now apply consistent and detailed valuation methods, enhancing the reliability and comparability of their financial reports.
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <ul style="list-style-type: none"> By replacing IPSAS 9, 11, and 23, the standard streamlines the accounting for both exchange and non-exchange transactions under one framework, improving consistency and comparability in financial reporting.
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <ul style="list-style-type: none"> Clear Guidance on Transfer Expenses: This is the first IPSAS standard specifically addressing transfer expenses, offering clarity on how to recognize, measure, and disclose non-exchange outflows, such as bursaries, student aid, or grants to third parties
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial</p>

	<p>statements that should be presented by a retirement benefit plan.</p> <ul style="list-style-type: none"> • The standard will improve the accuracy, consistency, and transparency of how Kapchepkor technical Training Institute accounts for and reports on retirement benefit plans, ensuring better financial governance and enhanced compliance with public sector reporting requirements
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <ul style="list-style-type: none"> • The Institution has no mineral resources and therefore this standard is not relevant

iii. Early adoption of standards

Kapchepkor Technical Training Institute did not early adopt any new or amended standards in year ended June 30, 2025

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on May 23, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2024/2025 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

Kapchepkor Technical Training Institute is exempt from paying taxes as per Income Tax Act Cap.470

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The entity 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 entity, 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

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

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

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

j) Financial instruments

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

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

The College did not create and maintains reserves in terms of specific requirements

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. 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 College regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

t) Service concession arrangements

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

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.

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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6. Transfers from other National Government entities

Description	Period ended June 30, 2025
	Kshs
Unconditional Grants	
Operational Grant/capitation	13,084,771
Total unconditional Grants	13,084,771
Conditional Grants amortised/ recognised in revenue	
Hostels Grant	48,763,595
Total Government Grants and Subsidies	61,848,366

(a) Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
State Department of TVET	13,084,771	-	48,763,595	61,848,366
Total	13,084,771	-	48,763,595	61,848,366

7. Grants from Donors and Development Partners

Description	Period ended June 30, 2025
	Kshs
In-Kind Donations	1,740,018
Total Grants from Development Partners	1,740,018

8. Transfers from Other Levels of Government

Description	Period ended June 30, 2025
	Kshs
Transfer From Baringo Technical College	623,985
Total Transfers	623,985

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9. Rendering of Services

Description	Period ended June 30, 2025
	Kshs
Tuition Fees	6,925,557
Activity Fees	868,790
Industrial Attachment Fees	49,542
Arrears	3,551,443
Examination Fees	3,561,621
Student welfare	22,500
Local travel and transport	738,875
Repair maintenance and improvements	699,638
Personnel emoluments	2,403,971
Environment water and conservancy	742,094
Student ID	39750
Registration fee	410,770
Medical and insurance fee	354,200
Total Revenue from The Rendering of Services	20,368,751

10. Other Incomes

Description	Period ended June 30, 2025
	Kshs
Sale of water	108,850
Cafeteria sales	18,800
Sale of Tender s	6,000
Total Revenue from Sale of Goods	133,650

11. Use of Goods and Services

Description	Period ended June 30, 2025
	Kshs
Teaching and learning materials	1,764,742
Industrial attachment costs	55,400
Electricity	100,000
Water	4,400
Advertising	1,154,503
Examination fees	2,807,261
Travelling and accommodation	2,503,918
Fuel and oil	7,310
Postage	7,725
Printing and stationery	289,150
Telephone expenses	224,500

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Internet expenses	56,250
Training expenses	290,020
Activity	1,055,755
Bank charges	42,660
Cleaning expenses	143,900
Farm expenses	10,500
Administrative expenses	1,439,132
Total good and services	11,957,126

12. Employee Costs

Description	Period ended June 30, 2025
	Kshs
Salaries and wages	3,877,278
Overtime and meals	51,659
Employee related costs - contributions to pensions and medical aids	82,619
Total Employee Costs	4,011,556

13. Board Expenses

Description	Period ended June 30, 2025
	Kshs
Directors Emoluments	-
Other Board/Council Expenses	-
Total Board Expenses	-

14. Depreciation and Amortization expense

Description	Period ended June 30, 2025
	Kshs
Property, plant and equipment	1,650,676
Total depreciation and amortization	1,650,676

15. Repairs and Maintenance

Description	Period ended June 30, 2025
	Kshs
Property	377,004
Equipment and machinery	21,650
Total Repairs and Maintenance	398,654

16. (a) Cash and Cash Equivalents

Description	Period ended June 30, 2025
	Kshs
Current Account	9,608,219
Total Cash and Cash Equivalents	9,608,219

b) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	Period ended June 30, 2025
		Kshs
a) Current Account		
Kenya Commercial Bank	1279478691	6,798,768
Kenya commercial bank	1320638576	2,809,451
Total		9,608,219

17. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	Period ended June 30, 2025
	Kshs
Current Receivables	
Student Debtors	64,244,778
Total Current Receivables	64,244,778

(b) Ageing Analysis of Receivables from Exchange transactions

Description	Period ended June 30, 2025	
	Kshs	
	FY 2024/25	% of the total
Less than 1 year	38,536,007	59%
Between 1- 2 years	4,569,930	7%
Between 2-3 years	21,138,841	34%
Total (a+b)	64,244,778	100%

18. Inventories

Description	2024/2025
	Kshs
Hairdressing stores	100,000
Electrical stores	250,450
Fashion and design stores	78,120
Cleaning Materials stores	27,452

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Total Inventories at lower of Cost and Net Realizable	456,022
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19. Intangible Assets

Description	Period ended June 30, 2025
	Kshs
Cost	
At beginning of the year	
Additions	4,130,000
NBV	4,130,000

20. Trade and Other Payables

Description	Period ended June 30, 2025	
	Kshs	
Trade payables	3,193,188	
Fees paid in advance	-	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
Total Trade and Other Payables	3,193,188	
Ageing analysis:	FY 2024/25	% of the Total
Under one year	3,193,188	100%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (to tie to totals above)	3,193,188	100%

21. Refundable Deposits from Customers/Students

Description	Period ended June 30, 2025	
	Kshs	
Consumer deposits	64,000	
Caution money	-	
Other refundable deposits	-	
Total Deposits	64,000	
Ageing analysis:	FY 2024/25	% of the Total
Under one year	64,000	100%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (to tie to totals deposits above)	64,000	100%

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22. Payments received in advance.

Description	Period ended June 30, 2025	
	Kshs	
Fees received in advance	599,144	
Others (Specify)	-	
Total	599,144	
Ageing analysis:	FY 2024/25	% of the Total
Under one year	599,145	100%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total	599,145	100%

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23. Property, Plant and Equipment

Asset	Capital work in progress	Building	Furniture & fittings	Plant equipment & Machinery	Totals
		0.02	12.5	0.25	
	Kshs	Kshs	Kshs	Kshs	Kshs
Additions	1,136,230	48,763,595	60,650	2,083,759	52,044,234
Depreciation	-	(975,272)	(7581)	(667,823)	(1,650,676)
Net Book values July 1,2025	1,136,230	47,788,323	53,069	1,415,936	50,393,558

Capital work in progress relates to uncompleted kitchen project.

Notes to the Financial Statements (Continued)

Valuation

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

24. (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	48,763,595	975,272	47,788,323
Plant and Equipment	2,083,759	667,823	1,415,936
Work in progress	1,136,230	0	1,136,230
Furniture, And Fittings	60,650	7581	53,069
Total	52,044,234	1,650,676	50,393,558

Retirement benefit Asset/ Liability

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

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.

The Kapchepkor Technical Training Institute contributes to the statutory National Social Security Fund (NSSF).

This is a defined contribution scheme registered under the National Social Security Act. The Polytechnic's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs 1,080 per employee per month. Other than NSSF the entity is yet to implement a defined contribution scheme which shall be operated by a Pension Fund. Employees contribute 3% while employers contribute 5% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

25. Financial Risk Management

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

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

(i) Credit risk

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

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

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

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

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

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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26. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Kapchepkor Technical Training Institute, holding 100% of the College's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

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

27. Accumulated surplus

Description	Period ended June 30, 2025
	Kshs
Accumulated surplus	126,546,631
Total Surplus	126,546,631

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

The Kapchepkor Technical Training Institute is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

30. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

Kapchepkor Technical Training Institute has not been audited by the external auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

Guidance Notes:

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

.....
 Elly Koross
 Principal/Secretary to the Board

Date ... 29/8/25



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Appendix II: Projects Implemented by Kapchepkor Technical Training Institute

Projects

Projects implemented by Kapchepkor Technical Training Institute Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes)	Consolidated in these financial statements (Yes)
Hostel Block	OCBN/SEVTT/TVETE PHASE III/WORKS 23/22-23	AFDB	2years	100%	Yes	Yes

Status of Projects completion

status of project implemented by Kapchepkor Technical Training Institute

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Hostel Block	48,763,595	48,763,595	100%	100%	48,763,595	AFDB	Development Grant

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **Ministry of Education State Department For TVET**

Name of beneficiary entity: **Kapchepkor Technical Training Institute**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP9/36(3)	15.07. 2024	499,827.50	-	499,827.50	Operational grant
MOE/DTE/SCHO/1(47)	23.09. 2024	53,751.20	-	53,751.20	Scholarship
MOE/DTE/SCHO/VOL I(49)	23.09.2024	927,208.20	-	927,208.20	Scholarship
MOE/DTE/SCHO/VOL.I(51)	23.07.2024	147,815.80	-	147,815.80	Scholarship
MOE/DTE/SCHO/VOL.I(48)	23.09. 2024	2,512,868.60	-	2,512,868.60	Scholarship
MOE/DTE/CAP/45(41)	25.09.2024	2,144,300.0	-	2,144,300	Capitation
MOE/DTE/CAP/46(38)	04.03 2025	6,799,000	-	6,799,000	Capitation
Total Kshs		13,084,771.3		13,084,771.3	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name STEPHEN K. KIPTON Sign [Signature] Date 26/08/2025



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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Greening Initiative	To enhance environmental sustainability by incorporating more green spaces, improving energy efficiency, and promoting eco-friendly practices.	Environmental Stewardship: Enhancing ecological well-being through resource conservation, habitat restoration, and pollution reduction.	Tree Planting in specific designated site within the organization	-	-	15,000	5,000	Internal funds	Greening committee

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Fire extinguishers	Safety precautions	Fire outbreak	Safety	Fire Extinguisher's	58,000	More fire extinguishers required
Back up of data	Data loss	Data protection	Recovery	External Hard disks	28,000	Cloud backup is also required



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