

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

**RACHUONYO TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**STATE DEPARTMENT FOR TECHNICAL AND
VOCATIONAL EDUCATION AND TRAINING**



1917



RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE
AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2024

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. A. Acronyms & Glossary of Terms

<i>A-in-A</i>	<i>Appropriations in Aid</i>
<i>BETA</i>	<i>Bottom-Up Economic Transformation Agenda</i>
<i>BoG</i>	<i>Board of Governors</i>
<i>BPS</i>	<i>Budget Policy Statement</i>
<i>CSDC</i>	<i>Citizens Service Delivery Charter</i>
<i>CSR</i>	<i>Corporate Social Responsibility</i>
<i>ERP</i>	<i>Enterprise Resource Planning</i>
<i>ERS</i>	<i>Economic Recovery Strategy</i>
<i>FY</i>	<i>Financial Year</i>
<i>GoK</i>	<i>Government of Kenya</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>ICT</i>	<i>Information, Communication and Technology</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KNEC</i>	<i>Kenya National Examinations Council</i>
<i>M.o.E</i>	<i>Ministry of Education</i>
<i>MDA</i>	<i>Ministries, Departments and Agencies</i>
<i>MoU</i>	<i>Memorandum of Understanding</i>
<i>MSME</i>	<i>Micro, Small and Medium Enterprise</i>
<i>MTP IV</i>	<i>Fourth Medium Term Plan</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PAYE</i>	<i>Pay as you Earn.</i>
<i>PC</i>	<i>Performance Contract</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PFMA</i>	<i>Public Financial Management Act 2012 and Regulations 2015</i>
<i>PPP</i>	<i>Public Private Partnership</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>RTVC</i>	<i>Rachuonyo Technical and Vocational College</i>
<i>TVET</i>	<i>Technical and Vocational Education and Training</i>
<i>TVETA</i>	<i>Technical and Vocational Education and Training Authority</i>

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B. Definition of Key Terms

Budget	Estimates of income and expenditure for a financial year
Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Strategic Plan	Document used to communicate with the organization the organizations goals, the actions needed to achieve those goals
Strategies	Broad abstractions which are descriptive of the means for achieving strategic objectives.
Strategic Issues	These are problems or opportunities emanating from situational analysis that RTVC must manage'
Strategic Goals	General qualitative statements on what is expected to be achieved in the long term.
Strategic Objectives	This is what RTVC commits itself to accomplish to achieve strategic goals.
Sustained Growth	Rate of growth that can be maintained without creating other significant economic problems, especially for future generations.

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2. Key Entity Information and Management

(a) Background information

Rachuonyo Technical and Vocational College was established under the TVET Act 2013 on 22nd October 2021.

The college is domiciled in Kenya, Homa - Bay county, Rachuonyo South Sub - County. The institution is under the Ministry of Education, State department for TVET.

The institution offers the following courses;

- Electrical and electronics Engineering
- Building Technology
- Masonry
- Land Survey
- Plumbing and Pipe fitting
- Agriculture
- General Agriculture
- Hairdressing and Beauty Therapy
- Social work and community Development
- Human Resource Management
- Supply chain management
- Fashion Design and Garment Making

(b) Principal Activities

The principal mandate of Rachuonyo Technical and Vocational college is to offer training in technical and business courses.

Our Vision

To be a leading institution in the provision of technical and vocational training.

Our Mission

To equip and empower our graduates with high quality technical and vocational training to meet the demand of the global industry.

Our Strategic Objectives

- i. To provide quality technical and vocational training that positively transforms graduates and society.
- ii. To provide and maintain a conducive environment for training and learning.
- iii. To enhance research and innovation capacities.
- iv. To ensure compliance, collaborations, linkages and partnerships and best practices in governance systems.

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Our Core values

- i. Customer focus
- ii. Integrity
- iii. Professionalism
- iv. Team work
- v. Equity
- vi. Social responsibility

(c) Key Management

The day-to-day management of Rachuonyo Technical and Vocational college is under the following key organs:

- i. Board of Governors
- ii. Accounting officer/ Principal
- iii. Principal's Management Committee
- iv. Heads of Department

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Nelly Okoyo
2	Deputy Principal	Dr. Abiero Philip Omondi
3	Registrar	Victor Odera
4	Head of Finance	Samson Laban

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(e) Fiduciary Oversight Arrangements

For the FY 2023/2024 Rachuonyo TVC Board operated with two committees, Education, Research and Training and Finance, Infrastructure and Resource Mobilization Committee up to 4th quarter when 3rd committee was introduced and Audit Risk and Compliance committee. Two members did not acknowledge their appointment and were replaced by Teresa Moraa and Dr. Kenneth Ogola in the 4th quarter respectively.

S/No.	Board Committee	Member	Designation
1	Finance, Infrastructures and Resource Mobilization Committee	Peris Moreka	Chairperson
		Jared Owuocha	Member
		Dr. John Wamae	Member
		Nelly Okoyo	Secretary
2	Education, Research and Training Committee	Pamela Odolo	Chairperson
		Florence Akumu	Member
		Dr. John Wamae	Member
		Nelly Okoyo	Secretary
3	Audit Risk and Compliance Committee	Florence Akumu	Chairperson
		Pamela Odolo	Member
		CPA Ezekiel Odongo	Secretary

(f) Entity Headquarters

P.O. Box 256-4022
Oyugis- Rangwe Road
Oyugis, KENYA

(g) Entity Contacts

Telephone: (254) 0792108724
E-mail: rachuonyotvc.rtv@gmail.com
Website: www.go.ke

(h) Entity Bankers

Kenya Commercial Bank
Oginga Odinga Street
P.O. Box 17-40100
Kisumu
Account Number:1290369526
Kisumu Branch

Equity Bank
Oginga Odinga Street
P.O. Box 3621-40100
Kisumu
Account Number: 0290281739784
Kisumu Branch

(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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3.The Board of Governors

No.		Details
1.	<p>Paul Odhiambo Kokello Chairperson B.O.G</p> 	<p>Mr. Paul Odhiambo Kokello holds a Bachelor's degree in Education, Kenyatta University 1984 and an ongoing Masters in education management.</p> <p>Mr. Kokello is an experienced educationist and manager having headed several government learning institutions as from 1991, the latest places he worked in are;</p> <ul style="list-style-type: none"> ❖ 2002-2012, Migori Teachers College as Chief Principal ❖ 2012-2013, Vihiga County as TSC County Director ❖ 2014-2016, Tharaka Nithi County as TSC County Director ❖ 2016-2018, TSC Headquarters, as Senior Deputy Director Teacher Management, Nairobi <p>Email: paulkokello2017@gmail.com</p>
2.	<p>Florence AkumuOlang'o</p> 	<p>Florence Akumu Olang'o was born on 4th December 1985 and is a Social Health professional with over 8 years' experience specializing in Health management for Non-Governmental Organizations. She has the following qualification;</p> <ul style="list-style-type: none"> ❖ Bachelors' Degree in Public Health from Jaramogi Oginga Odinga University of Science & Technology,2015 ❖ Diploma in Community Development from Moi Institute of Technology,2010 <p>Florence has worked in several organizations including;</p> <ul style="list-style-type: none"> ❖ Medicines Sans Frontiers,2017 to date ❖ Board of Governor -Kinyanjui Technical Training institute,2016-2018 ❖ Rongo Public Health Office,2012-2014 <p>Email: florenceelly@yahoo.com</p>




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3.	<p>Jared OchiengOwuocha</p> 	<p>Jared Ochieng Owuocha was born on 21.06.1962, he is an education professional with over 30 years' experience in management and has headed several secondary schools. He has a B.Ed. (Kenyatta University,1985).</p> <p>Among institutions managed;</p> <ul style="list-style-type: none"> ❖ St. Peters Nyamesocho secondary School-Chief Principal,2019-2021 ❖ Ringa Boys High School, Senior Principal,2005-2009 ❖ Masogo Secondary School-Principal,2003-2004 ❖ Mawego TTI-Board member,2008-2011 <p>Email: jowuocha@gmail.com</p>
4.		<p>Pamella Achieng Odolo holds a MSC. Public Health (EPIDEMIOLOGY) with an ongoing PhD. She has a vast experience in management and research, she is an expert in public health</p> <p>Educational Background</p> <ul style="list-style-type: none"> ❖ 2018 to date PhD. JOOUST- on going in Food security and sustainable Agriculture ❖ 2002 - Maseno University – M.Sc. Public Health (Epidemiology & Population Health) ❖ 1999 – 2001: Maseno University - B.Sc. Home science and technology ❖ 1988 – 1990: Moi Science Teachers College, Diploma in Education <p>Pamella has worked with several organizations including educational institutions:</p> <ul style="list-style-type: none"> ❖ 2012 to date – lecturer Uzima University College ❖ 2011- to date Part time lecturer Maseno University: - School of Public Health and Community Development

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		<ul style="list-style-type: none"> ❖ 2009 to 2010 - Community Health Education Trainer PATH Kenya at APHIA II Western ❖ 2008 Maseno University - Assistant Lecturer School of Public Health ❖ 2007-2010 Part time: lecturer Great LaKshs University dept. Of Nursing ❖ 2001-2008 lecturer: Kisumu Polytechnic Institutional Management dept. ❖ 2007- Project Coordinator: Truvada Socio- Behavioral and Community (Sbc) Preparedness ❖ JAN 2007-TO- March: Consultant: Designing And Implementation Of An Integrated Fish Consumption And Promotion Campaign In Puntland Somalia,PROJECT: CARE SOMALIA/FAO ❖ 2001-to-date: Technical Assistant on Child Health, Nutrition and HIV Organization: Economic Development ❖ 2004- Counselor, MCH Infant Feeding Options Kisumu District Hospital ❖ December 2005 -German Technical cooperation: Reproductive Health Trainer ❖ 2002: -CDC Kisumu Curriculum testing on Breast feeding issues for HIV infected mothers ❖ 2000-2001: CARE Kenya –Early childhood Development Health and Nutrition project
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5.		<p>PERIS MOREKA holds a Bachelor of Business Management – Accounting option from Maasai Mara University (2016-2017)</p> <p>Peris is a member of professional bodies which includes;</p> <ul style="list-style-type: none"> ❖ Institute of Certified Public Accountants of Kenya (ICPAK)-2018 ❖ Membership No: 23248. ❖ KASNEB, Certified Public Accountant – Finalist (2013-2015) ❖ YEAR 2012 Certificate in Computer Systems Application Packages., (2012) ❖ KASNEB (2000) <p>perismoreka@gmail.com</p>
6.		<p>Dr. John Wamae Date of birth: 1969 Regional Director of TVET He holds Msc in Applied statistics He also holds Bsc in Maths and Computer Science. Places worked; Worked with TSC as a teacher Worked with ministry of education as quality assurance and standards officer for TVET Currently Regional Director for TVET Kisumu</p>
7.		<p>Nelly Okoyo Principal/Secretary to Board Date of birth: 17th April 1967 Nelly Okoyo is a holder of MSc in Aquatic Science, Maseno University. Senior Management Course, Kenya School of Government. She has over 20 years' experience in the TVET sector.</p>

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4. Key Management Team

No.	Member/ Director	Details
1.		<p>Nelly Okoyo Principal/Secretary to Board Date of birth: 17th April 1967</p> <p>Nelly Okoyo is a holder of MSc in Aquatic Science, Maseno University, Senior Management Course, Kenya School of Government. She has over 20 years' experience in the TVET sector.</p>
2.		<p>Dr. Abiero Philip Omondi, Deputy Principal Has PhD in Strategic Management (JOOUST), Masters of Arts in Project Planning and Management (UON), B.Sc. in Agricultural Education and Extension (Egerton), Diploma in Educational Management (KEMI), Diploma in Business management (KIM) and Certificate in Senior Management Course (KSG).</p> <p>Dr. Philip Abiero is an experienced trainer with 12 years as a trainer in High school and 7 years as a trainer in TVET institution. He also has 3 years' experience as a Trainer of Trainer (TOT) in Competency Based Education and Training under TVET CDACC.</p> <p>In addition, he possesses 8 years of experience as a part time lecturer at Jaramogi Oginga Odinga University of Science and Technology teaching Diploma, undergraduate and Post-graduate students from various social and cultural backgrounds.</p>

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3.		<p>Victor Ochieng Odera, Ag. Registrar Date of Birth: 12/08/1987 Victor holds a BSc in Electrical and Electronics Engineering. He has worked with KPLC as a:</p> <ul style="list-style-type: none"> ❖ Design and construction Engineer, 2016-2018 ❖ Customer Service Supervisor, 2012-2016
4.		<p>Samson Laban</p> <p>Is a graduate in Supply Chain Management and has worked in the following places</p> <ul style="list-style-type: none"> ❖ FEB 2021 – TO DATE; Rachuonyo TVC ❖ JAN 2020- FEB 2021- Omuga TVC – Procurement Assistant and Trainer ❖ Jan 2018 – Dec 2019 – Acceler Logistics Nairobi, Warehouse Clerk. ❖ Feb 2017 – Dec 2017 – Innovation for Poverty Action Kenya (IPAK), Logistics and Inventory Officer – Bomet and Siaya County. ❖ March 2016 – Jan 2017; IPAK- Data analysis and Respondents Evaluation. ❖ Jan 2015 – March 2016; Field officer IPAK-Siaya, Homa Bay, TharakaNithi , Nairobi , Kitui , Kiambu and Bomet Counties.

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5. Chairman's Statement

Rachuonyo Technical and Vocational College has been in operation since 22/10/2021. Rachuonyo Technical and Vocational College operated under the mentor institution Ramogi Institute of Advance Technology (RIAT) until 30th November 2022 when it was officially handed over to Rachuonyo TVC Board of Governors. The college was registered by TVETA on 22/10/2021. The Board of Governors was subsequently appointed by the then Cabinet Secretary for Education, the Late Professor George Magoha and held its inaugural meeting on 1st February 2022. The Board of Governors was later inducted in July 2022. Rachuonyo Technical and Vocational College is still under the first board

The Board has embarked on a mission to put in place systems, policies, procedures and other frameworks that has enabled full operationalization of the College.

Several achievements have been made including provision of stable three phase power supply, reliable water supply and a growth in student enrolment which stood at 457 with a breakdown of 229 male trainees and 228 female trainees at the end of the financial year. The institution has been faced by challenges notably financial resources. There were also challenges experienced due to unfenced compound, no training machinery, equipment and insufficient furniture. The institution had a big challenge in staff numbers, the PSC had managed to post Principal, Deputy Principal and five training staff which was inadequate in terms of curriculum delivery.

However, the future looks bright. The Board has entrusted day to day running of the institution to management headed by the Principal who together with the staff ensures that policies are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

The Board intends to embark on resource mobilization, policy formulation, link the institution with key stakeholder groups, enhance sustainability and monitor achievement of targets.

The Board gives an assurance on continued support to management as the Board exercises its oversight role for effective performance.

Thank you


Paul Kokello
CHAIRMAN

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6. Report of the Principal

Rachuonyo Technical and Vocational College opened its doors during the financial year 2021/2022. The Principal was posted to the institution on 23rd December 2021, with the institution being under the mentorship of Ramogi Institute of Advanced Technology (RIAT). The College is comprised of a single block housing both administrative offices as well as tuition rooms. The institution lacks equipment and machinery, perimeter fence.

The College has now registered with the following bodies; TVETA, KUCCPS, HELB, KNEC and KATTI. Three phase electricity connectivity has been done and sufficient water is available courtesy of Kasipul Constituency Development Fund.

The first Board of Governors were appointed in January 2022, by the then Cabinet Secretary for Education, the Late Professor George Magoha. The Board of Governors headed by Mr Paul Kokello have been instrumental in the governing of the institution and ensuring that the institution remains operational.

The trainee population at the close of the year stood at 457 with a teaching staff of 26 with only 7 being Public Service Commission employees.

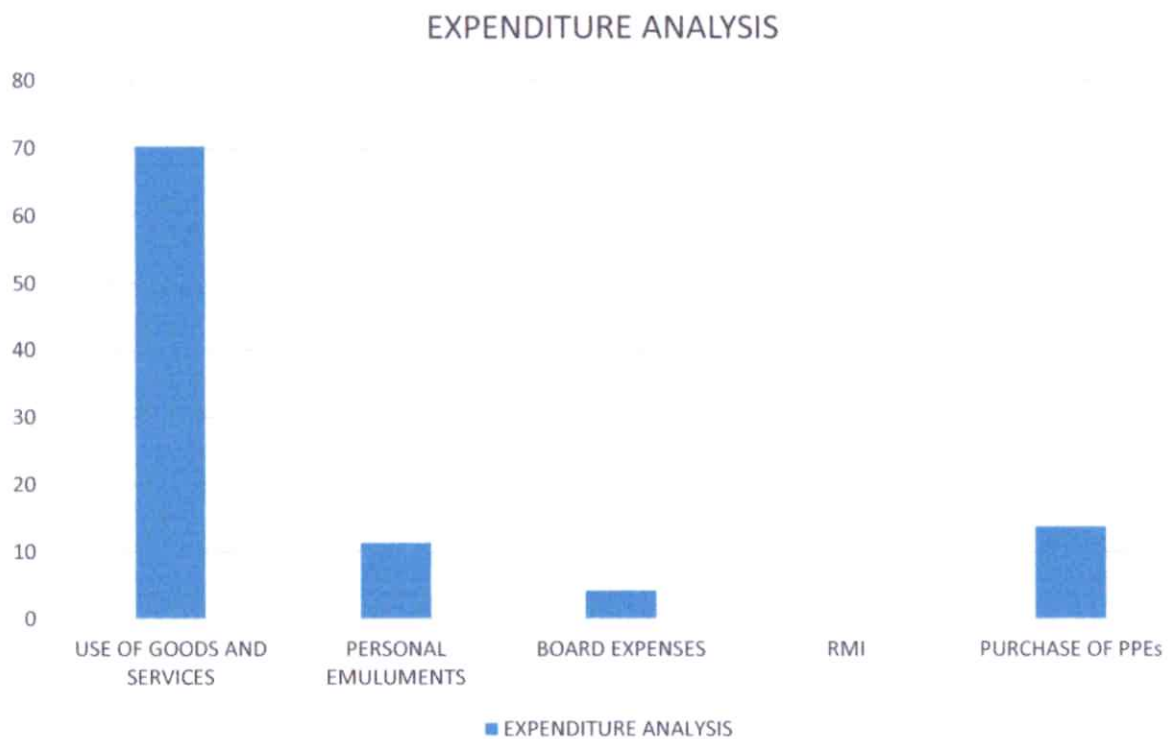
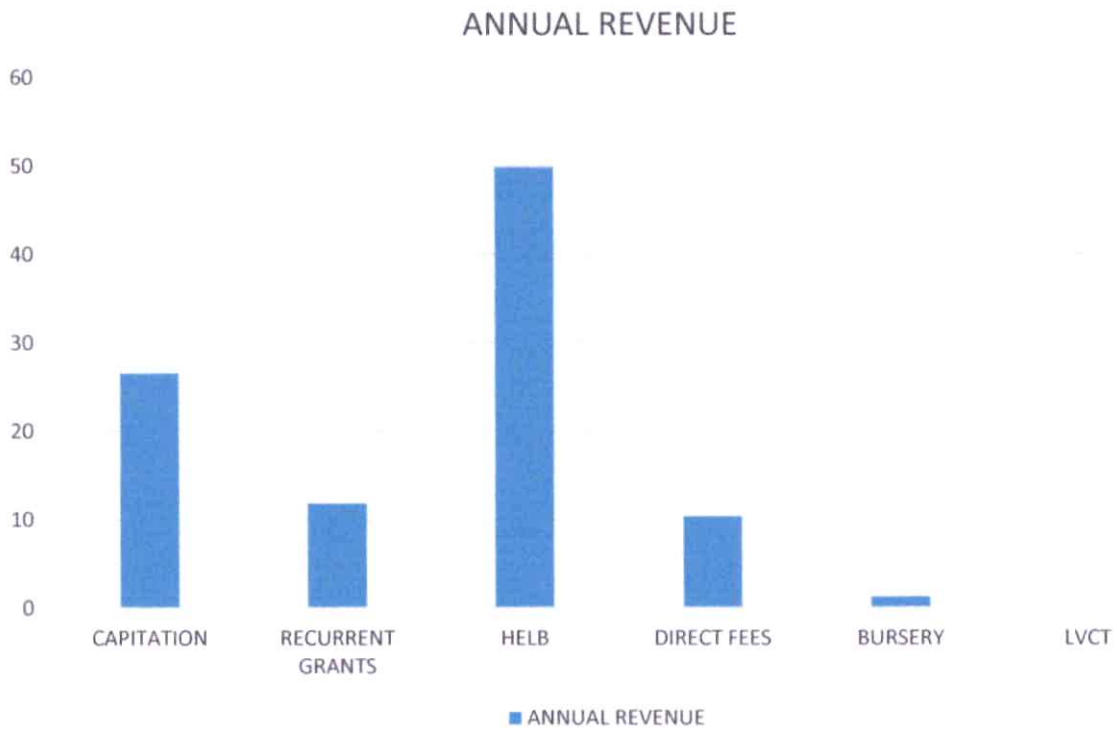
The management under the direction of the BoG has already documented various operating procedures to guide its operations one core procedure being the teaching procedure. The management continues to develop more operating procedures. The Board has already approved the Academic policy and Finance Management policy, Human Resource policy and procurement policy is yet to be approved.

Operational Results

At the close of the financial year, the College had received Kshs 2,000,000 grant from GoK and GoK Capitation of Kshs 4,503,500.

The College therefore had total income of Kshs. **16,924,978.50** against total expenditure of Kshs. **16,378,947.25** giving a surplus of Kshs. **546,031.25**. The surplus is due to exam fees collected within the period but to be used for the sittings in the financial year 2024/2025. The student population as mentioned earlier closed at 457 trainees. Fee payment remains a challenge for most students. However, the College is now fully registered with HELB and all the trainees with fee challenges have been encouraged and assisted to apply for HELB funding. Since the College is already registered with KUCCPS, it is hoped that GoK capitation will be consistent to assist the college in its operations.

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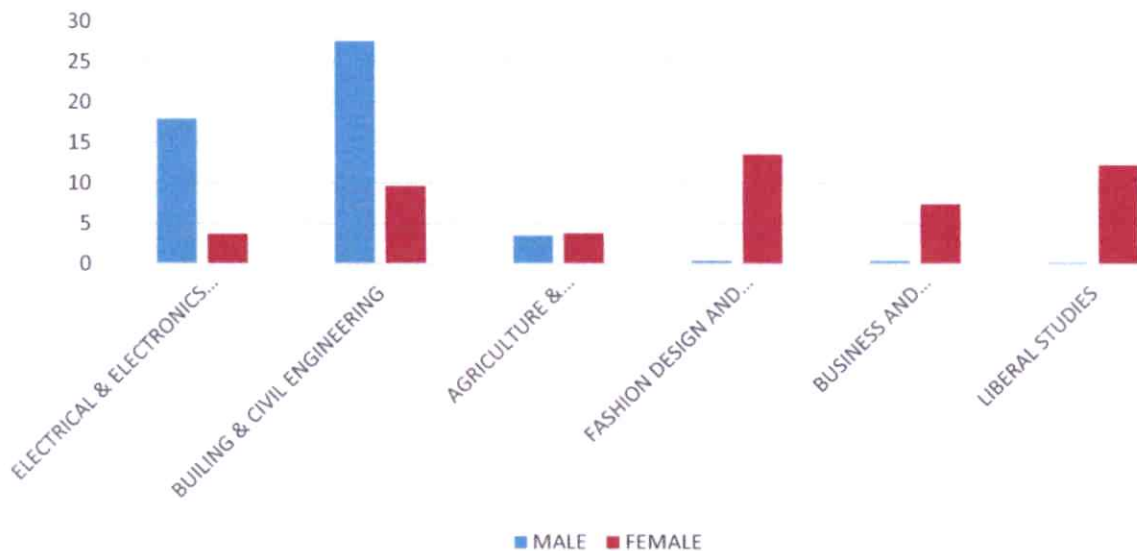
Our asset base currently stands at Kshs. **55,845,292.63**. Management hopes to fence to secure the College compound as well as do finishing to eight door latrines which has been constructed. Proposals and requests will continue to be written to treasury through parent ministry for the supply of equipment and machinery, we thus look forward to more infrastructural improvements in FY 2024/2025.

Achievements

Rachuonyo TVC presented candidates to Kenya National Examinations Council (KNEC) in November 2022 and managed a mean score of 75.1%. The trainee enrolment increased from 256 at the beginning of the year to 457 at close of the year.

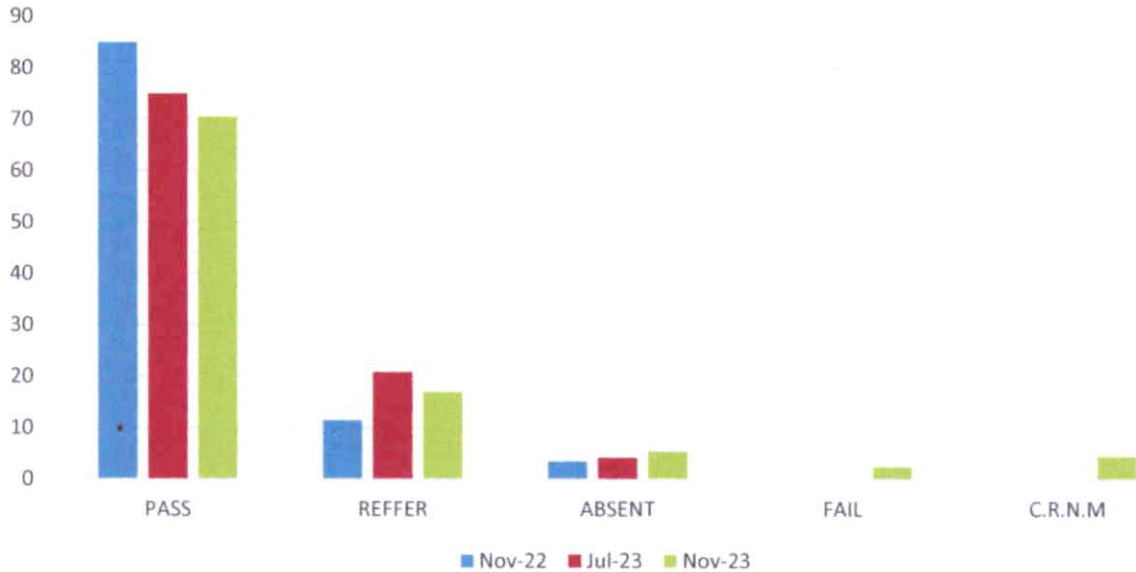
Greening of the institution and beautification of the compound is ongoing.

STUDENT POPULATION DISTRIBUTION FOR Q4 FY 2023/2024



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KNEC EXAMS MERITS



Governance

The BoG executed their duties well during the year. The meeting attendances are stated under corporate governance statement. There were no conflicts of interest recorded during the year under review.

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

Conclusion

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

We will continue to be guided by our mission **“To equip and empower our graduates with high quality technical and vocational training to meet the demand of the global industry”**.

Thank You

Nelly Okoyo
PRINCIPAL/ SECRETARY to BOARD

RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE
17 APR 2025
PRINCIPAL
 P. O. BOX 256 - 40222, OYUGIS

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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 the national government entity's performance against predetermined objectives.

Rachuonyo Technical and Vocational College has 4 strategic pillars and objectives for the FY 2023- 2024.

These strategic pillars are as follows:

Pillar 1: To provide quality technical and vocational training that positively transforms graduates and society

Pillar 2: To provide and maintain a conducive environment for training and learning

Pillar 3: To enhance research and innovation capacities

Pillar 4: To ensure compliance, collaborations, linkages, partnerships and best practices in governance systems.

Rachuonyo Technical and Vocational College developed its annual work plan based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Rachuonyo Technical and Vocational College has achieved its performance targets set for the FY 2023/24 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
To provide quality technical and vocational training that positively transforms graduates and society	Enhance 100% syllabus coverage by	Developed records and schemes of work	Using given templates to write Schemes of work and Records of work	Schemes of work for each course developed
	Improve student class attendance above 75%	Records of duly signed attendance registers kept	Develop trainee attendance registers	Signed attendance registers filed for each class
	Strengthen staff capacity	Recruitment process documents	Conduct interviews and Recruit needed staff	Interviews conducted
To provide and maintain a conducive environment for training and learning	To construct a gate for the institution	Gate in place	Constructing and installing the gate	First phase of construction done
	To assist students access HELB loans and bursaries	Operational HELB desk	Set up a HELB Desk	Institution successfully assisted students to apply and access loans

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To ensure compliance, collaborations, linkages, partnerships and best practices in governance systems	To Develop policies	Approved Policies documents	Develop relevant policies	Academic policy developed
	To Develop Operating Procedures	Operating Procedure Manuals	Develop Operating Procedures	Teaching procedure developed
Enhance research and innovation capacities	To encourage students to come up with innovations that can attract funding and patenting	Admit students in various courses being offered	Offering trainees an opportunity to be creative and help them achieve their goals.	The institution is still young but will be able to achieve in the new year 2023/2024

8. Corporate Governance Statement

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

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on 1st February 2022.

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

i) General Responsibilities

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

The statutory functions of the Board include:

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

- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law;
- Administering and managing the property of the institution;
- Developing and implementing Rachuonyo TVC Strategic Plan;
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013;
- Mobilizing resources for the institution;
- Developing and reviewing programmes for training and to make representations thereon to TVETA Board;
- Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of TVET Act 2013;
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board;
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board;

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- Making regulations governing organization and conduct and discipline of staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET Board;
- Providing for the welfare of the students and staff of the institution;
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

ii) Risk Management and Internal control

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

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

iii) Conflicts of interest

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

The Board has established robust process requiring members to disclose outside business interests that would conflict with institutions interests. During the year under review there was no conflict of interest the board members.

iv) Compliance

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

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

- The Constitution of Kenya, 2010
- TVET Act, 2013
- Public Finance Management Act, 2012
- Public Finance Management Act, 2015 regulations

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- Procurement and Assets Disposal Act, 2015
- International Public Sector Accounting Standards.
- Mwongozo
- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

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

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR THE YEAR ENDED 30TH JUNE 2024

FULL BOARD

During the period under review, the Board held meetings as follows:

No	NAME	24 TH JULY 2023	11 TH OCT 2024	18 TH JAN 2024	9 TH APRIL 2024
1	PAUL KOKELLO	✓	✓	✓	✓
2	PAMELLA ODOLO	✓	✓	Apology	Apology
3	PERIS MOREKA	✓	✓	Apology	✓
4	FLORENCE AKUMU	✓	✓	✓	✓
5	JARED OWUOCHA	Apology	✓	✓	✓
6	DR. JOHN WAMAE	Not yet posted	Not yet posted	✓	Apology
7	NELLY OKOYO	✓	✓	✓	✓

FINANCE, INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE

During the period under review, the committee held meetings as follows:

No	NAME	12 ST JULY 2023	9 TH OCT 2023	11 TH JAN 2024	8 TH APRIL 2024
1.	PERIS MOREKA	✓	✓	✓	✓
2.	JARED OWUOCHA	✓	✓	✓	✓
3.	DR. JOHN WAMAE	Not yet posted	Not yet posted	Apology	Apology
4.	NELLY OKOYO	✓	✓	✓	✓

The Finance, Infrastructure and Resource Mobilization (FIRM) Committee

The terms of reference, among others, of the FIRM Committee are as stated below:

- i. Receive and consider estimates of revenue and expenditure of the RTVC before the commencement of each financial year.
- ii. Receive and consider quarterly and annual financial statements to ensure they comply with generally accepted accounting principles and standards.

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- iii. Review the policies, processes and programs management has put in place to prepare, prevent and protect the institution from financial risks.
- iv. Monitor and review procurement of works, goods and services at RTVC to ensure compliance to established laws, regulations, policies and procedures

EDUCATION, RESEARCH AND TRAINING COMMITTEE

During the period under review, the committee held meetings as follows:

No	NAME	21 ST JULY 2023	6 TH OCT 2023	16 TH JAN 2024	4 TH APRIL 2024
1.	PAMELA ODOLO	✓	✓	✓	✓
2.	FLORENCE AKUMU	✓	✓	✓	✓
3.	DR. JOHN WAMAE	Not yet posted	Not yet posted	Apology	Apology
4.	NELLY OKOYO	✓	✓	✓	✓

Education, Research and Training (ERT) Committee

The terms of reference, among others, of the ERT Committee are as stated below:

- i. To oversee the preparation and regular review of RTVC's Academic Policy; Research Policy and Staff Development and Training Policy and compliance to the provisions thereof.
- ii. To receive and consider proposals for collaborations with other institutions of higher learning, research and technology institutions for the enhancement of technological, professional and scientific education.
- iii. To receive and evaluate regular reports on academic progress, conduct of examinations and consider academic awards.
- iv. To receive and consider proposals for development and further training of the academic staff of the RTVC.

AUDIT AND RISK COMPLIANCE COMMITTEE

During the period under review, the committee held meeting in the las quarter in the month of July 2024:

No	NAME	12 ST JULY 2023	9 TH OCT 2023	11 TH JAN 2024	8 TH APRIL 2024
1.	PAMELA ODOLO	x	x	x	x
2.	FLORENCE AKUMU	x	x	x	x
3.	DR. JOHN WAMAE	x	x	x	x
4.	CPA EZEKIEL ODONGO	x	x	x	x

The Audit Risk and Compliance (ARC) Committee

The terms of reference, among others, of the ARC Committee are as stated below:

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- i. Ensure that all policies, institutional framework and administrative procedures of RTVC effectively support implementation of the constitution.
- ii. Establish internal procedures and monitoring system to promote compliance with applicable laws, regulations and standards,
- iii. Ensure a compliance strategy that is aligned to the operations of RTVC
- iv. Independently review of the RTVC's Annual Financial Statements to ensure the integrity and transparency of the financial reporting process.
- v. Oversee implementation of appropriate systems to identify, monitor and mitigate significant financial risk.

Audit and risk compliance committee was formed in the fourth quarter therefore their first sitting will be capture in quarter one of the FY 2024/2025.

The Board has approved the Board Charter for effective governance.

The Board remuneration as resolved by the Board is as follows;

Chairpersons honoraria is at Kshs 10,000 per month effective from 3rd quarter of FY 2023/2024

Chairperson Gross allowance at KSHS 10,000 and transport of KSHS 5,000 per sitting

Member Gross allowance at KSHS 7,000 and transport of KSHS 5,000 per sitting

The payment of board expenses is also done as per the recommendation.

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

9. Management Discussion and Analysis

Fee collection has been a challenge since as majority of students depend on HELB The other sources of income that is Recurrent Grants and Capitation were also acknowledged through mentor institution until the recent batches were receipted through Rachuonyo TVC

Fee collection has been a challenge in terms of fees collection as majority of the students depend on HELB for the facilitation of the tuition fees. Besides self-sponsorship for the student's local bursaries i.e. NG-CDF, Homa Bay County and a local NGO LVCT DREAMS program also contributed in fees provision through bursaries. All these sources acted as an upfront towards realisation of financial stability in regards to operations within the institution.

Compliance with Statutory Requirements

The College is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- Public Finance Management Act, 2012
- Public Finance Management Act, 2015 regulations
- Procurement and Assets Disposal act, 2015
- IPSAS.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

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

Risk Analysis

i) Operational Risks

The Board has overall responsibility for the oversight of the College risk management framework. The College is developing risk management policies to identify and analyse the risks faced by the College, set appropriate risk limits and controls and monitor risks and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the College activities. The Principal will then oversee how management monitors compliance with the College risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the College.

The College faces a high level of competing interests for resources. There is a high level of competition for trainees in the College catchment area from other public and private TVET Colleges within the region.

ii) Liquidity Risk

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

iii) Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The College has a policy on fee payment which defines how and when fees are supposed to be paid. It is important to note that the College has been under performance contracting for FY 2022/2023 and it is envisaged that this will greatly improve its operational efficiency moving forward.

10. Environmental and Sustainability Reporting Statement

Rachuonyo TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first and delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote Rachuonyo TVC strategic objectives.

Sustainability strategy and profile

The College's approach to sustainability is based on the College mission which is; **to equip and empower our graduates with high quality technical and vocational training to meet the demand of the global industry.**

The institution recognises the importance of sustainable growth and has considered programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating industrial attachment practical training. Programmes have also been planned aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

In the FY 2023/2024, the College in its approved annual work plan, under the performance contract guidelines, has committed to developing partnerships and linkages with industry to provide learning opportunities for trainees, applied research opportunities for trainers and benefit to community.

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

Environmental performance

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

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

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

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

Rachuonyo TVC will always:

- Respect and uphold applicable local, county, and national laws to the best of our abilities
- Honour and review all internal policies for complete and responsible implementation
- Ensure that all business transactions and relationships are legitimate, free of influence and bribery
- Keep all partnerships and collaborations transparent and open
- Recognize that privacy is a fundamental right, and we will comply with all privacy laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

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

Employee welfare

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

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

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

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

Market place practices-

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

We believe successfully inclusive workplaces begin with thoughtful hiring and recruiting processes that reduce subconscious bias in candidate selection and increase the overall diversity of our workforce. We employ industry-leading methodologies, processes, and technology to attract diverse talent pools, counteract bias, and match the best talent to the needs of our clients. Our methodology includes publishing gender neutral job descriptions. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, disability status, source of income, parental status, housing status, or other protected status. And to help foster the most inclusive climate possible, we will provide ongoing diversity and inclusion training to all employees, not just our management teams. We believe this is the only way to truly shape a safer, open, and productive work environment at all levels of our training.

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

Procurement process is carried out appropriately according to procurement standards thus ensuring that the procurement process has a smooth flow. The supplier and supply chain relation are perfectly respectable by having prompt communication to avoid misunderstanding between them thus supply of quality goods. Product stewardship is enhanced by safeguarding consumer rights and interests.

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

The organisation should outline its efforts to:

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements

As noted in our mission statement, Rachuonyo TVC recognizes an expectation to have a positive impact on our community, and we promote this expectation through services offered to the community.

The community is allowed to access clean water from the institution. This forms the part of services offered to the community by the institution.

11. Report of the Board of Governors

Principal activities

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

Results

The results of Rachuonyo TVC for the year ended June 30th 2024 are set out on page 1

Board of Governors

The members of the Board who served during the year are shown page viii to xi

Auditors

The Auditor General is responsible for the statutory audit of Rachuonyo TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However, the institution has been under mentorship by Ramogi Institute of Advance Technology (RIAT) until 30th November 2022.

By Order of the Board

Nelly Okoyo
Principal /Secretary of the Board



Date:

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Rachuonyo TVC, which give a true and fair view of the state of affairs of Rachuonyo TVC at the end of the financial year FY 2023/2024 and the operating results of Rachuonyo TVC for FY 2023/2024. The Board members are also required to ensure that Rachuonyo TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Rachuonyo TVC. The Board members are also responsible for safeguarding the assets of Rachuonyo TVC.

The Board members are responsible for the preparation and presentation of Rachuonyo TVC financial statements, which give a true and fair view of the state of affairs of Rachuonyo TVC for and as at the end of the financial year FY 2023/2024 ended on June 30th 2024. 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 Rachuonyo TVC,
- (v) Selecting and applying appropriate accounting policies,
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Rachuonyo TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act, 2013. The Board members are of the opinion that Rachuonyo TVC financial statements give a true and fair view of the state of Rachuonyo TVC transactions during the financial year ended June 30, 2024, and of Rachuonyo TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Rachuonyo TVC, which have been relied upon in the preparation of Rachuonyo TVC 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 Rachuonyo TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Rachuonyo TVC financial statements were approved by the Board on 17/4/25 and signed on its behalf by:

.....
Paul Kokello
Chairperson of the Board

.....
Nelly Okoyo
Accounting Officer/Principal



REPUBLIC OF KENYA



Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING

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 Rachuonyo Technical and Vocational College set out on pages 1 to 29, which comprise of the statement of financial

Report of the Auditor-General on Rachuonyo Technical and Vocational College for the year ended 30 June, 2024 – State Department for Technical and Vocational Education and Training

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rachuonyo Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with, the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Net Assets

The statement of financial position reflects revaluation reserve and accumulated balances of Kshs.62,393,518 and Kshs.58,747 respectively. However, review of the statement of changes in net assets revealed that these balances excluded balances brought forward from the previous financial year of Kshs.54,481,892 and Kshs.6,216,278 in respect of revaluation reserves and accumulated surplus respectively. Further, Management did not provide any evidence of assets revaluation during the year under review.

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

2. Variances in the Financial Statements

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.11,524,936 in respect of use of goods and services. However, review of the ledgers provided for audit revealed an amount of Kshs.15,761,481, resulting to unexplained and unreconciled variance of Kshs.4,236,545.

In the circumstances, the accuracy and completeness of use of goods and services of Kshs.11,524,936 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements, reflects receivables from exchange transactions balance of Kshs.6,940,771. Although Management provided a schedule of arrears and prepayments details, the movement schedule showing the opening balances, additions during the year, receipts and payments made and the closing balances was not provided for audit verification. This was

contrary to Section 68(2) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources are used in a way that is lawful and authorized and shall ensure that the entity keeps financial and accounting records that comply with this Act. Further, measures taken by Management to ensure collection of the outstanding student debt was not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.6,940,771 could not be confirmed.

4. Unsupported Trade Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables balance of Kshs.4,253,868. However, the payables lacked general ledgers, invoices, goods received notes and respective stock cards to support their existence. This was contrary to Section 68(2) of the Public Finance Management Act, 2012 states that an Accounting Officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources are used in a way that is lawful and authorized and shall ensure that the entity keeps financial and accounting records that comply with this Act. In addition, the management did not provide payables ageing analysis for audit review.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.4,253,868 could not be confirmed.

5. Unsupported Revenue from Exchange Transactions

The statement of financial performance reflects an amount of Kshs.12,080,217 in respect of rendering of services-fees from students and as disclosed in Notes 7 and 17 to the financial statements. However, these fees were not supported with schedules and other relevant records such as receipts, fees registers and bank statements which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 which states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of rendering of services amounting to Kshs.12,080,217 could not be confirmed.

6. Expensed Asset Items

The statement of financial performance reflects purchase of property, plant and equipment of Kshs.2,262,535 as disclosed in Note 14 to the financial statements. However, the nature of items procured and work in progress were capital in nature which Management expensed contrary to IPSAS 5 which provides for capitalization of items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one reporting period.

In the circumstances, the financial statements were not fairly presented.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.40,662,990 and Kshs.16,924,978 respectively resulting to an under-funding and under-collection of Kshs.23,738,586 or 58% of the budget. Similarly, the College spent Kshs.16,378,947 against a final budget of Kshs.40,662,990 resulting to an under-expenditure of Kshs.24,284,617 or 59% of the budget. Further, review of the statement of comparative budget and actual amounts revealed that the explanatory notes to give the reasons for material differences between the budgeted and actual figures has not been provided as prescribed by the IPSAS 24.14.

The under-funding and under-expenditure affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Presentation of Financial Statements

The statement of financial position reflects net assets comparative balance of Kshs.6,216,276 instead of Kshs.60,698,169 due to poor alignment. Further, the accumulated surplus and revaluation reserve fund are also misaligned resulting to an inaccurate total net assets and liabilities balance of Kshs.6,216,276. No explanation was provided for these anomalies.

In the circumstances, the presentation of the financial statements is not in compliance with the reporting template issued by PSASB.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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 IFPP 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

25 April, 2025

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance for The year ended 30th June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	4,503,500.00	1,064,000.00
Transfers from other National Government - Grant	6	2,000,000.00	2,000,000.00
Transfers from other Level of Government - RIAI	8	-	1,154,659.00
Total Revenue from Non-Exchange transactions		6,503,500.00	4,218,659.00
Revenue from Exchange transactions			
Rendering of services- fees from students and arrears	7 & 17(a)	12,080,217.00	9,554,580.00
Total Revenue from Exchange transactions		12,080,217.00	9,554,580.00
TOTAL REVENUE		18,583,717.00	13,773,239.00
Expenses			
Use of goods and services	9	11,524,936.25	2,989,674.00
Employee costs	10	1,861,711.00	935,500.00
BoG Expenses	11	702,935.00	344,000.00
Repairs and maintenance	12	26,830.00	303,960.00
Contracted services	13	-	156,000.00
Purchase of Property	14	2,262,535.00	-
Repayment of borrowings	15	-	2,345,000.00
Depreciation Expenses	19	2,146,022.27	482,828.10
TOTAL EXPENSES		18,524,969.52	7,556,962.10
Other Gains /(Losses)			
Total Other Gains/(Losses)			-
Net surplus/ (deficit) for the year		58,747.48	6,216,276.90
			-

*Increased number of board meetings and activities on the Board Expenses variance

*Increase in major activities in the institution as the college pick up that is excavation of outdoor pit latrine, putting up the gate and excavation and leveling of fields and general operations, this was necessitated by increase in the number of student population on Repairs and maintenance variances.

*No depreciation was effected

*The other financial year and partially current was done by mentor institution as contracted security firm therefore after the mentor pulled out the institution resorted to local security guards.

* Rendering services – There was increase in student population, HELB allocation to the students who applied as compared to the previous financial year and accumulative student debt.

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

.....
Chairman of Board

Date


Finance Officer
 Sign:.....
Date


Principal 17 APR 2025
PRINCIPAL
 P. O. BOX 256 - 40222, OYUGIS
Date

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	3,882,560.25	3,336,529.00
Current portion of receivables from exchange transactions	17	6,940,771.00	5,282,032.00
Inventories	18	37,560.00	25,640.00
Total Current Assets		10,860,841.25	8,644,201.00
Non-Current Assets			
Property, plant and equipment	19	55,845,292.63	55,728,780.00
Total Non-Current Assets		55,845,292.63	55,728,780.00
Total Assets		66,706,133.88	64,372,981.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions – Mentor RIAT	20	3,674,812.00	3,674,812.00
Fees paid in advance	20	579,056.00	-
Total Current Liabilities		4,253,868.00	
Non-Current Liabilities			
		-	-
Total non- current liabilities			3,674,812.00
Total Liabilities		4,253,868.00	60,698,169.00
Net Assets		62,452,265.88	6,216,276.90
Accumulated Surplus		58,747.48	54,481,892.10
Revaluation Reserve Fund		62,393,518.40	60,698,169.00
Total Net Assets and Liabilities		62,452,265.88	6,216,276.90

.....
[Signature]
 Chairman of Board

Date 17/04/2025

.....
[Signature]
 Finance Officer
 17 APR 2025
 Date _____
 Sign:.....
 P. O. Box 256 - 40222, OYUGIS

.....
[Signature]
 Principal
 17 APR 2025
 Date _____
PRINCIPAL
 P. O. BOX 256 - 40222, OYUGIS

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Cash Flows for the year ended 30th June 2024

Description	Note	2023/20234	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	6,503,500.00	3,064,000.00
Rendering of services- fees from students	7	10,421,478.50	4,272,548.00
Miscellaneous income		-	1,154,659.00
Total Receipts		16,924,978.50	8,491,207.00
Payments			
Use of goods and services	9	11,524,936.25	2,989,674.00
Employee costs	10	1,861,711.00	935,500.00
Board /Council Expenses	11	702,935.00	344,000.00
Repairs and maintenance	12	26,830.00	303,960.00
Contracted services	13	-	156,000.00
Repayment of borrowings – Mentor RIAT	15		2,345,000.00
Total Payments		14,116,412.25	7,074,134.00
Net Cash Flows from operating activities		2,808,566.25	1,417,073.00
Cash flows from investing activities		-	
Purchase of property, plant and equipment	14	(2,262,535.00)	
Proceeds from sale of property, plant and equipment		-	-
Net cash flows in investing activities		(2,262,535.00)	-
Cash flows from financing activities			-
Proceeds from borrowing		-	-
Net cash flows used in financing activities		-	-
Net Increase / (Decrease) in Cash and Cash equivalents		546,031.25	1,417,073.00
Cash and Cash equivalents at 1 st JULY 2023		3,336,529.00	1,919,456.00
Cash and Cash equivalents at 30th JUNE 2024		3,882,560.25	3,336,529.00

.....


Chairman of Board

Date

17/04/2025

.....


 Finance Officer
 Sign:.....
 Date

.....


Principal

Date

**RACHUONYO TECHNICAL
 AND VOCATIONAL COLLEGE**

17 APR 2025
PRINCIPAL
P. O. BOX 256 - 40222, OYUGIS

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Changes in Net Asset for the year ended 30th June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023(previous year)	-	-	-	-
Revaluation gain	62,393,518.40	-	-	62,393,518.40
Fair value adjustment on quoted investments	-	-	-	-
Accumulated Surplus	-	58,747.48	-	58,747.48
Capital/development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to	-	-	-	-
Retained earnings	-	-	-	-
As At June 30, 2024	62,393,518.40	58,747.48	-	62,452,265.88

Rachuonyo Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of budget & actual amounts for year ended 30th June 2024

Description	Original annual budget	Adjustments	Final annual Budget A	Actual cumulative to date B	Performance difference C=B-A	% Actualized to date
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Grants	2,000,000.00	-	2,000,000.00	2,000,000.00	-	0%
Capitation	12,955,000.00	-	12,955,000.00	4,503,500.00	(8,452,075.00)	-35%
Rendering of services- fees from students	25,607,990.00	-	25,607,990.00	10,421,478.50	(15,186,512.00)	-41%
Miscellaneous Income - IGA	100,000.00	-	100,000.00	-	(100,000.00)	-100%
Total Income	40,662,990.00	-	40,662,990.00	16,924,978.50	23,738,586.50	42%
Expenses						
Use of goods and services	31,986,140.00	-	31,986,140.00	11,825,846.25	20,160,868.75	37%
Employee costs	4,359,550.00	-	4,359,550.00	1,861,711.00	2,497,839.00	43%
Board /Council Expenses	1,267,000.00	-	1,267,000.00	702,935.00	564,065.00	55%
Repairs and maintenance	449,600.00	-	449,600.00	26,830.00	422,770.00	6%
Development	2,300,700.00	-	2,300,700.00	1,870,425.00	430,275.00	81%
Performance Contracting	300,000.00	-	300,000.00	91,200.00	208,800.00	30%
Total Expenditure	40,662,990.00	-	40,662,990.00	16,378,947.25	24,284,617.75	40%
Surplus/(Deficit) For the Period				546,031.25		
Capital Expenditure						

(Budget notes)

*The deviation on repayment to debt- repayment to trade and payables is as a result of the accounts being runnel by the mentor institution (RIAT) and prior before handing over the balances were transferred by default thus Rachuonyo TVC had to pay as opposed to what was budgeted for as estimates.

19. Notes to the Financial Statements

1. General Information

Rachuonyo Technical and Vocational College is established by and derives its authority and accountability from TVET Act, 2013. Rachuonyo TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is to offer technical and vocational 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 judgement in the process of applying Rachuonyo TVC accounting policies.

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

ii) Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>The entity has planned to develop a risk management policy in the financial year 2023/2024.</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>The entity is a young institution and is yet to develop any social benefit scheme.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

Rachuonyo Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Standard	Effective date and impact:
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>Rachuonyo TVC has adopted accrual basis of financial reporting</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>RTVC is yet to develop policy on employee benefits</i></p>

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>RTVC expects to be compliant once adopted</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>RTVC expects to be compliant once adopted</i></p>

ii. Early adoption of standards

Rachuonyo TVC did not early-adopt any new or amended standards in year 2023/2024.

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 has 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on *7TH July 2023*. 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 2023/2024 budget following the Council/ 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 financial performance has been presented on page *xx* under section *xxx* of these financial statements.

c) Taxes

Current income tax

The Rachuonyo TVC is not exempt from paying taxes.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. 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.

Depreciation Policy

Depreciation is charged annually on a reducing balance basis on the balance at year end. The depreciation rates for the Non-Current assets of the RTVC are outlined below:

Category	Estimated Useful Life	Depreciation rate
Buildings and other Civil works	40 years	2.5%
Plant, Machinery & Equipment	5 years	20%
Office Equipment	5 years	12.5%
Motor Vehicles	4 years	25%
Computer and related Equipment	3 years	33.3%
Furniture and Fittings	8 years	12.5%
Library	20 years	5%

f) 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.

RTVC currently does not have any intangible assets.

g) 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 Rachuonyo TVC 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 Rachuonyo TVC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Rachuonyo TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the institution's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 cash flows 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 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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) are set out in *Notes*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of Rachuonyo TVC.

k) Provisions

Provisions are recognized when Rachuonyo TVC 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 Rachuonyo TVC 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

Rachuonyo TVC 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

Rachuonyo TVC 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 Rachuonyo TVC in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to;

- i) specific individuals and / or households that meet the eligibility criteria,
- ii) mitigate the effects of social risks and
- iii) Address the need of society as a whole.

The entity recognises a social benefit as an expense for the social benefit 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The *Rachuonyo TVC* creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Rachuonyo TVC* **DO NOT** provide retirement benefits for its employees and directors but only pay NSSF for its employees.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

The *Rachuonyo TVC* 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 *Rachuonyo TVC*, or vice versa. Members of key management are regarded as related parties, the Principal and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

The *Rachuonyo TVC* 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, *Rachuonyo TVC* recognizes that

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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, Rachuonyo TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th, 2024.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Rachuonyo TVC '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 Rachuonyo TVC 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 Rachuonyo TVC . Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions are recognized when Rachuonyo TVC has a present obligation (legal or constructive) because 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 Rachuonyo TVC expects some or all 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.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,503,500.00	1,064,000.00
Operational Grant	2,000,000.00	2,000,000.00
Total Government Grants and Subsidies	6,503,500.00	3,064,000.00

7. Rendering of Services

Description	2023/2024		2022/2023
	Kshs		Kshs
	capitation	fees	
Tuition fees	-	3,352,860.23	4,272,548.00
Personal Emoluments	-	1,183,362.43	-
EWC	-	1,132,083.39	-
L,T&T	-	1,341,144.09	-
RMI	-	177,504.37	-
Activity	-	788,908.29	-
Admin cost	-	-	-
Library fees	-	-	-
Students Organisation	-	394,454.14	-
Medical	-	355,008.73	-
Registration/Application fee	-	118,336.24	-
Development	-	-	-
Industrial Attachment	-	986,135.36	-
Student ID	-	197,227.08	-
Practical	-	-	-
Examination	-	-	-
Contingency	-	394,454.14	-
	-	10,421,478.50	4,272,548.00

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8. Transfers from Other Levels of Government

Description	2023/2024	2022/2023
	Kshs	KSHS
Transfer from County	-	-
Transfer from Institute (Mentor RIAT)	-	1,154,659.00
Total Transfers	-	1,154,659.00

9. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Expenses	2,556,959.00	856,320.00
Activity	2,374,321.00	818,456.00
Industrial Attachment	611,099.00	31,500.00
Electricity, Water and Conservancy	338,512.00	293,013.00
Local Transport And Travel (L.T&T)	2,200,201.00	777,580.00
Medical	-	350.00
Marketing	454,100.00	-
Registration	462,060.00	-
Examination	1,884,640.00	190,190.00
KUCCPS	403,500.00	-
Postage	15,550.00	15,693.00
Student Union	213,865.00	-
Cleaning	2,750.00	-
Other (<i>Operational costs Bank charges</i>)	7,379.25	6,572.00
Total good and services	11,524,936.25	2,989,674.00

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10. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	1,770,580.00	935,000.00
NSSF	63,840.00	-
NHIF	22,000.00	-
Tax(NITA,AHL)	5,291.00	-
Employee Costs	1,861,711.00	935,000.00

11. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	20,000.00	-
Other Board Expenses	511,300.00	344,000.00
Tax(PAYE)	171,635.00	-
TOTAL	702,935.00	344,000.00

12. Repair and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Repair of desktop computer	26,830.00	-
Property	-	303,960.00
Total Repairs and Maintenance	26,830.00	303,960.00

*Increase in major activities in the institution as the college pick up that is excavation of outdoor pit latrine, putting up the gate and excavation and leveling of fields and general operations, this was necessitated by increase in the number of student population on Repairs and maintenance variances.

13. Contracted Services (Security)

Description	2023-2024	2022-2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Security services	-	156,000.00
Total contracted services	-	156,000.00

*The other financial year and partially current was done by mentor institution as contracted security firm therefore after the mentor pulled out the institution resorted to local security guards.

14. Purchase of Property, Plant and Equipment.

Description	2023-2024	2022-2023
	Kshs	Kshs
Sewing machine	241,500.00	
Computers	823,125.00	-
Lecture chairs for students	800,000.00	-
Electric kettle	3,800.00	-
PFM Act handbook	2,000.00	-
Work In Progress(WIP)	392,110.00	-
	2,262,535.00	-

15. Repayment to trade and payables (Mentor Institution RIAT)

Description	2023-2024	2022-2023
	Kshs	Kshs
Mentor Institution RIAT	-	2,345,000.00
Total	-	2,345,000.00

16. Cash and Cash Equivalents

Description	2023-2024	2022-2023
Current Account	3,882,560.25	3,336,529.00
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	3,882,560.25	3,336,529.00

16. a) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	Kshs	2023-2024	2022-2023
a) Current Account				
Kenya Commercial Bank	1290369526	806,277.75	2,511,698.00	
Equity Bank	0290261739764	3,032,287.50	824,831.00	
Sub- Total		3,838,515.25	3,336,529.00	
b) Others(Specify)				
Cash in Transit		-	-	
Cash in Hand		43,995.00	-	
Sub- Total		43,995.00	-	
Grand Total		3,882,560.25	3,336,529.00	

17. Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	6,940,771.00	5,282,032.00
Less: Impairment Allowance	-	-
Total Current Receivables	6,940,771.00	5,282,032.00

17.(a) Change in Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Change in Student Debtors	1,658,739.00	-
Less: Change in Impairment Allowance	-	-
Total Current Receivables	1,658,739.00	-

17. (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022-2023	
	xxx	%	xxx	%
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (a+b)	xxx	%	xxx	%

18. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	36,660.00	15,485.00
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	5,125.00
Dry food stuffs	900.00	5,030.00
Total Inventories at lower of Cost and Net Realizable Value	37,560.00	25,640.00



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19. Property, Plant and Equipment

	2.5%	25%	12.5%	33.3%	5%	20%	-	
As at 1 st July 2022(beginning of the year)	53,188,200.00	-	2,165,580.00	305,000.00	-	552,828.00	-	56,211,608.00
Additions/Transfers/Adjustments	-	-	-	-	-	-	-	-
Disposals during the period	-	-	-	-	-	-	-	-
As at 30 th June 2023	53,188,200.00	-	2,165,580.00	305,000.00	-	552,828.00	-	56,211,608.00
Depreciation and impairment	-	-	-	-	-	-	-	-
Depreciation for the period	-	-	270,697.50	101,565.00	-	110,565.60	-	482,828.10
As at 30 th June 2023	53,188,200.00	-	1,894,882.50	203,435.00	-	442,262.40	-	55,728,779.90
As at 1 st July 2023	53,188,200.00	-	1,894,882.50	203,435.00	-	442,262.40	-	55,728,779.90
Additions/Transfers/Adjustments	-	-	800,000.00	823,125.00	2,000.00	245,300.00	392,110.00	2,262,535.00
Disposals during the period	-	-	-	-	-	-	-	-
As at 30 th June 2024	53,188,200.00	-	2,694,882.50	1,026,560.00	2,000.00	687,562.40	392,110.00	57,991,314.90
As at 1 st July 2023 (accumulated depreciation)	-	-	-	-	-	-	-	-
Depreciation for the period	1,329,705.00	-	336,860.31	341,844.48	100.00	137,512.48	-	2,146,022.27
As at 30 th June 2024	51,858,495.00	-	2,358,022.19	684,715.52	1,900.00	550,049.92	392,110.00	55,845,292.63

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Notes to the Financial Statements (Continued)

Valuation

Rachuonyo TVC is still in the process of valuation of its assets.

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	Depreciation	NBV
	Kshs	Kshs	Kshs	Kshs
Land	-	-	-	-
Buildings	53,188,200.00	-	1,329,705.00	51,858,495.00
Plant, Machinery and Equipment	798,128.00	110,565.60	137,512.48	550,049.92
Motor Vehicles and Motorbike	-	-	-	-
Computers and Related Equipment	1,128,125.00	101,565.00	341,844.48	684,715.52
Furniture, And Fittings	2,965,580.00	270,697.50	336,860.31	2,358,022.19
Library	2,000.00	-	100.00	1,900.00
Work In Progress	392,110.00	-	-	392,110.00
Total	58,474,143.00	482,828.10	2,146,022.27	55,845,292.63

20. Trade and Other Payables from Exchange transactions

		2022-2023
		Kshs
Trade payables (Current portion owed to RIAT)	3,674,812.00	3,674,812.00
Fees paid in advance	579,056.00	-
Salary deductions	-	-
Third- Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	4,253,868.00	3,674,812.00

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Notes to the Financial Statements (Continued)

1. Financial Risk Management

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

Rachuonyo TVC financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

Notes to the Financial Statements (Continued)

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Other receivables (Mentor RIAT)				
Total	-	-	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Other receivables (Mentor RIAT)	-	-	-	-
Total	-	-	-	-

Liquidity risk management

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

Government of Kenya

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

- i) The National Government;
- ii) The Ministry of Education;
- iii) State Department for Vocational and Technical Training
- iv) Key management;
- v) Board of Governor

Events After the Reporting Period

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

Ultimate and Holding Entity

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

Currency

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