

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF


### THE AUDITOR-GENERAL

ON

### RIATIRIMBA TECHNICAL AND VOCATIONAL COLLEGE

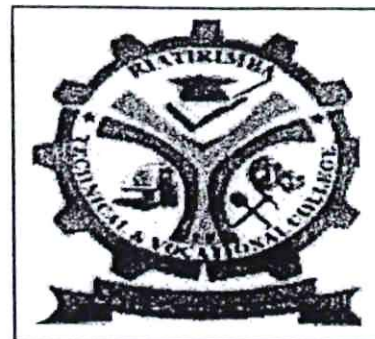
### FOR THE YEAR ENDED

### 30 JUNE, 2024

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>19 JUN 2025</b>	DAY: Thursday
TABLED BY:	Hon. Silvanus Oso (Majority Party Whip)
CLERK-AT THE-TABLE:	Angstacia



Revised 30th June 2024



---

*(RIATIRIMBA TECHNICAL AND VOCATIONAL COLLEGE)*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024.**

---

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

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

---

**Table of Contents**

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Board/Board of Governors .....	vii
4.	Key Management Team .....	ix
5.	Chairman’s Statement .....	x
6.	Report of the Principal .....	xii
7.	Statement of Performance against Predetermined Objectives .....	xiii
8.	Corporate Governance Statement.....	xiv
9.	Management Discussion and Analysis .....	xvi
10.	Environmental And Sustainability Reporting Statement.....	xvi
11.	Report of the Board of Governors.....	xvii
12.	Statement of Board of Governors .....	xix
13.	Report of the Independent Auditor.....	xxi
14.	Statement of Financial Performance for The Year Ended 30 June 2024.....	1
15.	Statement of Financial Position As At 30th June 2024 .....	<b>2</b>
16.	Statement of Changes in Net Asset for The Year Ended 30 June 2024 .....	5
17.	Statement of Cash Flows For The Year Ended 30 June 2024.....	6
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024	7
19.	Notes to the Financial Statements.....	9

**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

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

---

**2. Key Entity Information and Management**

The *institution* was incorporated/ established under the TVET Act 2013. Act on 28<sup>th</sup> January 2021. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

The College was successfully registered as a technical and vocational college on 28<sup>th</sup> January, 2021, and awarded the certificate with a TVET no. TVETA/PUBLIC/TVC/0016/2021 and training license number TVETA/PUBLIC/TVC/0016/2021A1. With the following departments electrical engineering, hospitality, business studies, school of computing, building and civil engineering and mechanical engineering as our centre of excellence.

Riatirimba Technical and Vocational College, (RTVC), originally began as a Mechanical workshop for Keroka Technical Training Institute (KETTI). However, following strong advocacy by the local community and support from the Ministry of Higher Education & Research by then, efforts were made to elevate the workshop into an independent technical college. This vision came to fruition in 2020, but its formal establishment was delayed due to the disruption caused by the COVID-19 pandemic, which halted educational activities nationwide.

Despite these challenges, Riatirimba TVC was successfully registered as an independent Technical and Vocational College on 28<sup>th</sup> January, 2021. The college was awarded the accreditation certificate with TVET registration number TVETA/PUBLIC/TVC/0016/2021 and training license number TVETA/PUBLIC/TVC/0016/2021.

Currently, RTVC offers a diverse range of programs across several departments, including Electrical Engineering, School Computing, Building and Civil Engineering, Hospitality, Business Studies, and Mechanical Engineering. The institution has also earned recognition as a Centre of Excellence, particularly in the field of Mechanical Engineering..

**a) Core Principal Activities**

Riatirimba Technical and Vocational College (RTVC) is a leading institution dedicated to delivering high-quality technical education and training. The college's core mission revolves around providing competency-based training that equips trainees with the practical skills and knowledge needed to excel in various industries. Through our comprehensive programs, RTVC focuses on skills acquisition and the retooling of the youth, enabling them to adapt to the ever-changing technological landscape and meet the demands of the modern job market.

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

---

At RTVC, is committed to fostering a learning environment that prepares trainees for global acceptance, ensuring that they are not only capable of meeting local industry standards but are also competitive in the global workforce. Our emphasis on digitalization and the integration of modern technology into our curriculum enables our trainees to become proficient in the latest tools and systems used in their respective fields, positioning them for success in the digital age. By aligning our programs with industry needs and global trends, RTVC strives to create a pool of skilled, adaptable, and forward-thinking professionals who can thrive in a rapidly evolving technological environment.

**Vision**

The vision of the college is to scale the heights of technology.

**Mission**

The mission of the college is to engage the minds in order to enhance creativity and innovation to propel quality skills towards meeting industry needs.

**Core Values**

Riatirimba Technical and Vocational College is committed to and will be identified by the following core values:

- i. Quality work
- ii. Team work
- iii. Creativity and inn ovation
- iv. Accountability and transparency
- v. Integrity

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

---

**Key Management**

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

- Board of Governors/ Board/ Management etc.
- Accounting officer/ Principal
- Management...;

**(a) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	JOSEPH KAWALA
2.	Deputy Principal Academics	JOHNSON NYAMWEYA MAOGA
3.	Registrar	MAROA PAUL CHACHA
4.	Dean of students	SAMWUEL MAKORI GORI
5.	Head of Finance	ROGERS O. MOKINU
6.	PC coordinator	ABIGAIL JEPKOSGEI
7.	Procurement officer	CAROLINE OYUGI
8.	HRM Officer	SARAH BOSIBORI NYABUTI
9.	Examination Officer	EDIGAH MORARA

**Key Entity Information and Management (Continued)**

**(b) Fiduciary Oversight Arrangements**

*(Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

- *Audit and risk committee activities*
- *Finance and operations committee activities*
- *Academic committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

**(c) Entity Headquarters**

P.O. Box 25-40201.  
 GESUSU  
 MASIMBA – NYACHEKI ROAD.  
 KISII, KENYA

**(d) Entity Contacts**

Telephone: (254) 757331085  
 E-mail: riatirimbatvc2020@gmail.com.

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

---

Website: [www.riatirimbatvc.ac.ke](http://www.riatirimbatvc.ac.ke)

**(e) Entity Bankers**

Kenya commercial bank  
Keroka branch  
A/c no. 1283392763  
Kisii Kenya.






**(f) Independent Auditors**

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




**(g) Principal Legal Adviser**

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

**3.The Board/Board of Governors**

SN	Member/ Director	Details
1.	 AMIN A. JIWA, Degree	<i>He is a degree holder in civil engineering serves as the chairperson of the board.</i>
2.	 DR. JANE OMBATI, PHD	<i>She is a PHD holder serves as an independent member to the board. And in the following committees financial and general purpose and on education and research.</i>
3.	 DR. EVANS MOGENI, PHD	<i>He is a PHD holder who is a member to the board and He represents the issues of industry</i>
4.	 ZIPPORAH KAARI KARITHI, DEGREE	<i>He is a degree holder who is a member to the board.</i>
5.	 JOSEPH ODIRA KAWALA, DEGREE	<i>He is a degree holder who is the secretary to the board, serves in all committees.</i>

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

6.	 <b>PROF, ZACHARY OTARA ASIAGI</b>	<i>She is a master's holder who is a member to the board and serves in audit and risk, financial and education committees.</i>
7.	 <b>DOUGLAS OKWALE, DEGREE</b>	<i>He is a degree holder who is a member to the board and serves in audit and risk, financial and education committees.</i>
8.	 <b>DR. JOHN OSORO, PHD</b>	<i>He is a PHD holder is the current county director. Serves as ex official member of the board.</i>
9.	<b>ENG. HAROLD OYANDO, MASTERS</b>	<i>He is a master's holder who is a member to the board.</i>
10.	<b>ERICK ONGERI, DEGREE</b>	<i>He is a degree holder who serves as a member of the board representing the county government.</i>

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

---

**4. Key Management Team**

1.	<i>JOSEPH KAWALA Degree in Technology Education (Electrical &amp; Electronics Engineering)</i>	<i>The principal/BOG secretary</i>
2.	<i>JOHNSON NYAMWEYA, Higher Diploma in Mechanical Engineering Production Option.</i>	<i>Deputy Principal</i>
3.	<i>SAMWUEL MAKORI GORI, Degree in ICT</i>	<i>Dean of Students</i>
4.	<i>MAROA PAUL CHACHA, Bachelor's Degree in Computer Science.</i>	<i>Registry</i>

## **5. Chairman's Statement**

Riatirimba Technical and Vocational College (RTVC) started as a mechanical workshop of Keroka Technical Training Institute (TTI) in the year 2011. However, in 2018, the community requested that the workshop be separated from Keroka TTI and be commissioned as a TVC, which was granted in 2019 and received the first principal in 2020.

Following a request by the management to NITA for registration and accreditation, NITA team inspected the college facilities. The exercise was concluded successfully and Riatirimba TVC accredited as centre for trade test grades, normally conducted in April, August and December of each year. A code number, 965, was assigned to the college, which has offered students for testing and grading two times since its approval.

So far, the following courses have been approved by NITA,

- a) Artisan in turning and machining.
- b) Artisan in arc welding.
- c) Artisan in masonry.
- d) Artisan in plumbing and pipe fitting

The board approved the registration of the college with the national social security fund NSSF and national hospital insurance fund NHIF for subscriptions of employees benefits as per the NSSF act no 45 of 2013 and NHIF act of 2022 of the laws of Kenya 'the college has been remitting the contributions to the respective authorities the employees retirement benefits and hospital insurance cover to date.

Since the registration of its exam centres, the college has been successfully registering candidates for KNEC and NITA exams. In the 2022 examination series for mechanical, building, fashion design, hair dressing, etc. and the performance was extremely good, with a ninth six (96) percent pass.

The departments listed in 5 above have been well equipped since the enrolment of students to enable learners to carry out their studies effectively. The board equipped information technology with seven new desktops for their studies. Hairdressing department was supplied with practical materials, while fashion design was equipped with practical materials, sewing machines and constructing for them a temporary workshop. Mechanical and building department were also equipped with practical materials.

Since the enrolment of students, the board has managed, to equip the students with two hundred and sixty-five chairs for their learning sessions. In addition, 20 drawing tables for engineering students and 20 plastic chairs for staff have been procured for the college. However, the college is still in need of more chairs due to increase in the enrolment of students but challenged with unavailability of funds. To mitigate the challenge of lack of tuition block, the construction was approved by the board. The classes were erected in side of the workshop and are currently being used by fashion design and hairdressing students.

The board again resolved to start a farming project in the college with the help of Kisii County government, the college started with two fish ponds each accommodation one thousand fingerlings, the two thousand fish were harvested early this year but they were small in size and this was due to their stunted growth hence only a few had grown that resulted to low sales.

The board negotiated and signed its first performance contract pc with the ministry of education during the 2022/2023 financial year and the second 2023/2024 financial year in accordance with the government of Kenya. The PC was signed by the relevant authorities and the cabinet secretary of education.

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

---

The Bog Riatirimba TVC initiated the completion of the workshop (phase two). A proposal with the bill of quantities for the construction was developed in collaboration with Keroka TTI, which has been the mentor. The government successfully wired ksh 32.5 million to Keroka TTI for construction. At the moment, phase two of the workshop construction was completed and handing has been done.

The board approved the development of bill of quantities for the college tuition and administration block which has since been submitted to the MOE for further processing.

**CHALLENGES**

1. Due to limited funds, provision of student's furniture is hampered as the number of enrolments is increasing.
2. Tuition block and offices is also another bin challenge in the institution whereby the main workshop is multipurpose utilised.
3. Lean human resource from the public service commission leaves much of the work load to the employees hired by the board. This stretches the funds available for other activities.
4. Delays in realising of capitation slow down service delivery and other college activities including regular holding of board meetings at the college premises.
5. Since there is an issue of sports i.e. athletics, footballs volleyball etc we are lacking a playground for practices due to unavailability of land for expansion.
6. Lack of ICT facilities e.g. computers to facilitate and equip learners with proper skills and some for-office use.

**APPEAL**

The board appeals to the ministry of education for a additional funding to enable the college to meet its mandate. Tuition and administration block will greatly enhance service delivery to learners.

Other facilities such as college van and bus are critical enablers. In addition, other relevant ministries and authorities to provide basic infrastructure including street lighting and access roads will come in handy.



## **6. Report of the Principal**

As the Principal of Riatirimba Technical and Vocational College (RTVC), it is both a privilege and a responsibility to present this detailed report on the current state of the college, its challenges and the path forward as we continue to grow and develop as an institution.

Since the elevation of RTVC into an independent institution in 2020, the journey toward building a fully functional technical college has been both challenging and rewarding. The college has been operating without the necessary infrastructure, including classrooms, administrative offices, and a library. The staff and trainees have had to work in a constrained environment, with limited resources. Moreover, the sanitation facilities at the college are inadequate, with staff and trainees sharing limited latrines. These infrastructural challenges have affected the overall learning and working conditions and have been a barrier to achieving the college's full potential.

Despite these challenges, significant progress has been made. Our academic programs have continued to provide high-quality training, and we have been able to attract a growing number of trainees in various disciplines, particularly in mechanical engineering, which is the college's centre of excellence. The demand for our programs has increased, further underlining the need for expansion and better facilities to accommodate our growing student population.

In response to these challenges, management has initiated several key steps to ensure the college's long-term sustainability and success. We are currently developing a comprehensive master plan that will guide the future growth of the college, including the construction of additional classrooms, administrative offices, student amenities, and modern training workshops. This plan will serve as a roadmap for the college's development, outlining the infrastructure needs and setting clear objectives for the next several years.

Additionally, we are in the process of developing policies that will provide strategic direction for the college. These policies will help streamline operations, ensure accountability, and improve the efficiency of our programs. We are also in the process of drafting a strategic plan, which will align the college's activities with the needs of the industry and the broader community.

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

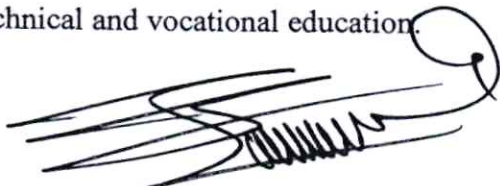
---

On the financial front, the college has faced limitations in resources due to the lack of sufficient funding and infrastructure. However, efforts are underway to improve the financial performance of the college. We have been actively engaging with government agencies, local stakeholders, and private sector partners to mobilize additional funding to support the college's development. These efforts include seeking grants, establishing strategic partnerships, and exploring other revenue-generating initiatives to ensure that we are able to provide the necessary infrastructure and resources to support both trainees and staff.

I am pleased to report that we have managed our finances with caution and prudence. Although we continue to operate under financial constraints, we remain focused on ensuring that available resources are used effectively to meet the immediate needs of the college. Our commitment to transparency and accountability in financial management continues to guide our actions.

In conclusion, while the college continues to face infrastructural challenges, I am optimistic about the future. The efforts being made to develop a master plan, secure funding, and improve our policies and procedures are a positive step toward ensuring that Riatirimba TVC can fully realize its potential. Our focus remains on providing high-quality training, fostering a conducive learning environment, and ensuring that our trainees acquire the skills and competencies needed to succeed in the global workforce.

I would like to take this opportunity to express my sincere gratitude to the Board, staff, and all stakeholders for your continued support. Together, we will continue to work toward achieving the vision of Riatirimba Technical and Vocational College as a leading center of excellence in technical and vocational education.



JOSEPH KAWALA

**PRINCIPAL/ SECRETARY TO THE BOARD**

**7. Statement of Performance against Predetermined Objectives**

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

Riatirimba TVC has five strategic pillars /issue's/ themes and objectives within current Strategic Plan for the FY 2022- FY 2026. These strategic pillars are as follows:

1. Increasing student enrolment.
2. Increasing the number of teaching and non-teaching staff.
3. Upgrading the skills of teaching and non-teaching staff.
4. Providing the physical infrastructure in the college.
5. Establish adequate sources of funding for the college's projects.

Riatirimba TVC develops its annual work plans based on the above *five* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *entity* achieved its performance targets set for the FY 2023/24 period for its (*five.*) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
STAFF	To increase number of teaching and non- teaching staff	Number of teaching staff and non - teaching staff increased	Recruitment of more staff	Additional staff
Physical infrastructure	To provide the required physical infrastructure in the college	Classrooms to be constructed	Building of classrooms	Presence of new classrooms
Equipment	To provide adequate training equipment	Training equipment requisitioned and procured across the departments	procurement	Presence of additional; equipment
Water	To provide adequate sustainable water in the college	acquire tanks	Procurement process	Availability of water
Resource m Obilization	To provide adequate source of funding	Increase enrolment	Marketing and advertising	Increase student population

**8. Corporate Governance Statement**

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

---

The process of appointment was done under the strict outlines as stipulated by law whereby the meeting was called by the principal as the secretary of the board including the county director and other stakeholders and proposed the names for appointment, once the names are proposed it was forwarded to the cabinet secretary ministry of education for appointment. Then the cabinet secretary will carry its mandate to appoint the members proposed to the board for a period of three years in office.

The removal of any board member comes when the member resigns from the board by writing or be removed by other board members if he/she fails to attend the meetings, on behalf of the board the chairman and the secretary will notify the cabinet secretary by writing.

The functions of the board are to spearhead the functions of the institution for proper management of the institution the board is led by the chairperson and the principal who is the secretary to the board, we have a total number of board members ten of them thus including the county representative and the county director, the meetings held were for once a quarter.

Concerning the conflict of interest there is no any other member who has declared an interest with a good show of their attendances with the meetings.

The induction and trainings have not been done since the outgoing board their team of delivery expired and process of appointment took some time whereby the new board reported on 4<sup>th</sup> quarter of this financial year.

The board members are entitled to sitting allowance, transport and lunch per a sitting for their facilitations.

## **9. Management Discussion and Analysis**

Riatirimba Technical and Vocational College, (RTVC), originally began as a Mechanical workshop for Keroka Technical Training Institute (KETTI). However, following strong advocacy by the local community and support from the Ministry of Higher Education & Research by then, efforts were made to elevate the workshop into an independent technical college. This vision came to fruition in 2020, but its formal establishment was delayed due to the disruption caused by the COVID-19 pandemic, which halted educational activities nationwide.

Despite these challenges, Riatirimba TVC was successfully registered as an independent Technical and Vocational College on 28<sup>th</sup> January, 2021. The college was awarded the accreditation certificate with TVET registration number TVETA/PUBLIC/TVC/0016/2021 and training license number TVETA/PUBLIC/TVC/0016/2021.

Currently, RTVC offers a diverse range of programs across several departments, including Electrical Engineering, School Computing, Building and Civil Engineering, Hospitality, Business Studies, and Mechanical Engineering. The institution has also earned recognition as a Centre of Excellence, particularly in the field of Mechanical Engineering..

Key Management

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

Riatirimba Technical & Vocational College, (RTVC), is driven by a core purpose: to transform lives through education and training. This guiding purpose remains the foundation of all our operations and strategic endeavours. Our mission is to create an institution that continuously delivers on this vision by focusing on three key pillars: prioritizing our clients, delivering relevant services, and striving for operational excellence.

RTVC's strategy is designed to not only foster academic and technical skills but also prepare our students for the challenges of a dynamic global workforce. Our objectives are rooted in continuous improvement and sustainability, with a keen focus on enhancing educational outcomes, expanding industry partnerships, and integrating sustainability into the core fabric of the institution

### **Market place practices-**

As part of RTVC's dedication to responsible corporate behaviour, we are committed to ensuring that our operations are conducted in an ethical and transparent manner. We take pride in our approach to maintaining integrity across all aspects of our institution. This includes responsible competition, responsible supply chain practices, ethical marketing, and the protection of consumer rights.

## **11. Report of the Board of Governors**

The board report for the year ended 30<sup>th</sup> June, 2023

The board members of Riaticrimba Technical and Vocational College (RTVC) present their report, together with the audited financial statements for the year ended 30<sup>th</sup>, June, 2023. These statements provide an overview of the RTVC's financial position and operational performance.

### **1. The Role of the Principal.**

The core activities of RTVC are focused on delivering quality education and training to students in line with industry standards and requirements. Specifically, the Principal activities of the College include:

- i. **Conducting Training:** Providing comprehensive training to students in various technical fields, ensuring they acquire the necessary skills and knowledge in their area of expertise.
- ii. **Conducting Assessments:** Designing and administering assessment tools to evaluate trainees' competencies and ensure their readiness for industry engagement.
- iii. **Competency-Based Training:** Offering competency-based technical training aimed at equipping students with the practical skills needed for successful employment or entrepreneurship.
- iv. **Guiding for Evaluation and Certification:** Preparing and guiding trainees through the necessary steps for evaluation and certification by appropriate examination bodies
- v. **Strengthening Linkages:** Building and maintaining strong linkages with industries to ensure that the training programs are aligned with current market needs and trends.

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

---

- vi. Diversifying Income-Generating Activities: Actively pursuing additional sources of income and optimizing existing resources to ensure the financial sustainability of the institution.
- vii. Promoting Science, Technology, and Innovation: Integrating science, technology, and innovation into all training programs to prepare students for the rapidly evolving global workforce.
- viii. Acting as Secretary to the Board of Management: Serving as the secretary to the Board, ensuring the smooth running of Board meetings and activities

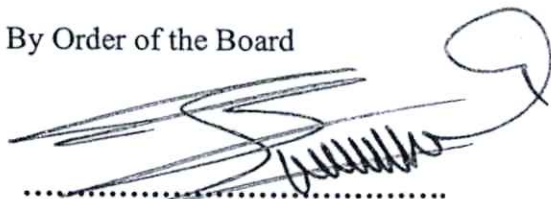
**2. Board of Governors for Riatirimba TVC**

The members of the Board of Governors who served during the reporting period are listed on page above. These individuals were appointed by the Cabinet Secretary from the Ministry of Education in October 2020.

**Auditors**

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

By Order of the Board



.....  
**Secretary of the Board**  
**RIATIRIMBA TVC**  
**Date:**

## 12. Statement of Board of Governors

The Board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on 30<sup>th</sup> June, 2023. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*,
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- iv. Safeguarding the assets of the *entity*,
- v. Selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*). The board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended 30<sup>th</sup>, June, 2023, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern *OR*

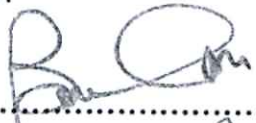
Nothing has come to the attention of the Board members to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.


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

---

**Approval of the financial statements**

The entity's financial statements were approved by the Board on 9th May 2025 and signed on its behalf by:

  
.....  
Name **A. Shangi**  
Chairperson of the Board

  
.....  
Name **Gerald Joseph**  
Accounting Officer/Principal

# REPUBLIC OF KENYA



*Enhancing Accountability*

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

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

## REPORT OF THE AUDITOR-GENERAL ON RIATIRIMBA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

---

### 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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

### **Adverse Opinion**

I have audited the accompanying financial statements of Riatirimba Technical and Vocational College set out on pages 1 to 49, which comprise the statement of financial assets and financial liabilities as at 30 June, 2024, and the statement of receipts and payments, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Riatirimba 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 Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Inaccuracies in the Statements of Financial Position**

The statement of financial position reflects a balance of Kshs.593,960, but does indicate the composition of the balance. Further, the balance does not agree with the total revaluation reserve, accumulated surplus and capital fund of Kshs.93,732 resulting to unreconciled variance of Kshs.500,229. The statement of financial position is therefore unbalanced by Kshs.500,228.

In the circumstance, the accuracy and completeness of the net asset balance of Kshs.593,960 could not be confirmed.

#### **2. Unsupported Revenue from Exchange Transactions**

The statement of financial performance reflects revenue from exchange transaction of Kshs.6,766,772 made up of rendering of services - fees from students amount of Kshs.6,533,515, rental revenue from facilities and equipment of Kshs.100,000 and miscellaneous income amount of Kshs.133,257. However, ledger schedules supporting miscellaneous income amount of Kshs.133,257 were not provided for audit.

In the circumstances, the accuracy, completeness and regularity of the reported revenues from exchange transactions could not be confirmed.

### **3. Unsupported Employee Costs Amount**

The statement of financial performance reflects employee costs amount of Kshs.2,295,260 as disclosed in Note 15 to the financial statements. However, the supporting ledgers were not provided for audit. Further, the payroll provided for audit was not classified or itemized as per approved template in terms of employee costs. Additionally, the payroll lacked relevant details, including data on ethnic codes, county of origin, persons with disability status and gender, marital status, date hired, date of birth, individual benefits in form of allowances, such as house, medical, commuter, car commuting, acting, extraneous allowances, staff arrears and individual deductions including loan deductions, insurance deductions and union deductions. Also, the payrolls for the months of July, August, September, October, November, December 2023, January and February, 2025 were not provided for audit.

In the circumstances, the accuracy and completeness of employee costs amount of Kshs.2,295,260 and the effectiveness of internal controls over the payroll could not be confirmed.

### **4. Incorrect Valuation of Biological Assets**

The statement of financial position reflects biological assets balance of Kshs.120,000. However, there was no reconciliation statement showing how the balance was arrived at, as required by Paragraph 48 of IPSAS 27 on agriculture.

In the circumstances, the accuracy and completeness of the biological assets balance of Kshs.120,000 could not be confirmed.

### **5. Unsupported Procurement of Repairs and Maintenance Materials**

The statement of financial performance, and as disclosed in Note 18 to the financial statement, reflects repairs and maintenance amount of Ksh.2,547,827 which includes Kshs.804,800 whose supporting requisitions from the user departments, request for quotations, submission of bids, opening and evaluation of tender's minutes, professional opinion, award and regret letters, letters of acceptance and signed contract agreements were not provided for audit.

In the circumstances, the value for money realized from the expenditure of Ksh.804,800 could not be confirmed.

### **6. Failure to Disclose Property Plant and Equipment**

The statement of financial position reflects nil balance on property, plant and equipment. However, the audit revealed that the College has a number of assets like land and buildings, vehicles, furniture and fittings, computers and ICT related equipment, office equipment all of which are not disclosed. Further, review of accounting records revealed

that the College received a number of donated assets by the Ministry of Education. However, documents from the Ministry showing historical costs of these assets or valuation reports supporting the amounts were not provided for audit. These assets values have also been excluded or not accounted or disclosed in the property plant and equipment. In addition, the audit verification revealed that the College did not have a title deed for the land and ownership documents for the buildings and other assets.

In the circumstances, the accuracy and completeness of property, plant and equipment could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total income budget of Kshs.19,603,240 and actual income on comparable basis amount of Kshs.15,167,752, resulting in underfunding of Kshs.4,435,588 or 23% of the budget. Similarly, the statement reflects total expenditure budget of Kshs.10,953,440 and actual on comparable basis of Kshs.15,440,174, resulting in over-expenditure of Kshs.4,486,734, or 41% of the expenditure budget. Further, the College incurred capital expenditure of Kshs.15,712,596 against a budget of Kshs.2,303,640, resulting in a huge over-expenditure of Kshs.13,408,956, or 582% of the budget.

The underfunding affected planned activities and may have negatively impacted learning in the College. Further, the authorization of the over-expenditures could not be confirmed.

### **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**

The Management is responsible for the Other Information set out on page i to xxi which comprises Key Entity Information and Management, The Board of Management, Key

Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against College's Predetermined Objectives, Management Discussion Analysis, Environmental Sustainability Reporting, Report of the Board of Management and Statement of Board of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Lack of Approved Budget, Vote Book and Balance Budget

During the year under review, the Board approved a revenue and expenditure budget of Kshs.19,603,240 and Kshs.10,953,440 respectively. However, there was no evidence that the budget was submitted and approved by the Cabinet Secretary Ministry of Education, contrary to Section 13(3) of the Technical and Vocational Education and Training Act, 2013, which states that; The annual estimate shall be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate. Further, the College did not maintain a vote book contrary to Regulation 52(1)(d) of the Public Finance Management (National Government) Regulations, 2015, which states that when the authority to incur expenditure is issued by the Ministry or State Department or Agency, the allocation shall be entered as a commitment in the Ministry's or State Department's or Agency's master vote book so as to ascertain at all times the availability of uncommitted funds. In addition, the statement of comparison of budget and actual amounts reflects a final income budget of Kshs.19,603,240 and final expenditure

budget of Kshs.10,953,440, resulting in a budget surplus of Kshs.8,649,800 Regulation 33 (c) and (e) of the Public Finance Management (National Government) Regulations, 2015, which states that budget shall be balanced and that total budgeted revenue shall cover total budgeted expenditure

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

## **2. Non-Compliance With the Law on Ethnic Diversity in Staffing**

Analysis of the staff bio data revealed that Riatirimba Technical Training Institute had twenty-nine (29) employees out of which, twenty-three (23) or 79% were from the same ethnic community. This was contrary to Section 7(2) of National Cohesion and Integration Act, 2008, which requires that no public establishment shall have more than one third of its staff from the same ethnic community.

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

## **3. Failure to Register Trainers**

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects Kshs.2,295,260 in respect of employee costs. Documents provided for audit indicated that the College had nine (9) trainers. However, no evidence was provided to confirm that the trainers were registered by the Technical and Vocational Education and Training Board, contrary to Section 23(1) of the Technical and Vocational Education and Training Act, 2013, which states that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provision of this Act.

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

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

## **REPORT ON THE 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls,

Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Risk Management Policy and Framework**

Information provided for audit indicated that during the year under review, the College had not developed or implemented a risk management policy or framework to guide on risk assessment and mitigation processes, had not carried out risk assessment and had not updated risk register. Further, it was noted that the College did not have a disaster recovery plan. This was contrary to Regulation 165 (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. Further, most of the requisite policies, regulations and manuals were in draft form and had not been approved for operationalization.

In the circumstances, the effectiveness of risk management in the College could not be confirmed.

### **2. Lack of Imprest Register**

The statement of financial performance and as disclosed in Note 15 to the financial statements reflects Kshs.8,755,762 in respect to use of goods and services. Included in this balance is Kshs.2,159,750 in respect to travelling and accommodation. However, Management did not maintain an imprest register to control the issuing and surrendering of imprests.

In the circumstances, the controls implemented for imprest management were not effective.

### **3. Lack of Internal Audit Function and Audit Committee**

During the financial year under review, the College did not have an internal audit department as required by Regulation 162(2)(a) ((b)(c) and (d) of the Public Finance Management (National Government) Regulations, 2015, which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities. Further, the College did not have an audit committee, contrary to Regulations 174 of Public Finance Management (National Government) Regulations, 2015, which states that each national government entity shall establish an audit committee or share audit committee with another entity.

In the circumstances, management lacked the required arrangements to provide oversight over Management's activities.

#### **4. Weaknesses in Inventory Control and Management**

Records provided for audit revealed that the Management did not carry out stock take on a quarterly basis and no stock or inventory policy had been developed as required by Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the effectiveness of inventory control, asset and store management procedures and internal controls could not be confirmed.

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 the Board of Management**

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 control 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 control, risk management and overall governance.

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

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

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

The Board of Management is responsible for overseeing the school'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**

**9 May, 2025**



**Riatirimba 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 30 June 2024**

	Notes	2023/2024	2022/2023
		FY	FY
		Kshs	Kshs
<b>Revenue from non-Exchange transactions</b>			
Transfers from other National Government entities	6	7,821,115	3,423,000
Public contributions and donations		-	-
		7,821,115	<b>3,423,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	9	6,533,515	3,061,760
Sale of goods			0
Rental revenue from facilities and equipment	11	100,000	0
Finance income		-	-
Miscellaneous income	13	133,257	3,600
<b>Revenue from Exchange transactions</b>		<b>6,766,772</b>	<b>3,065,360</b>
<b>Total Revenue</b>		<b>14,587,887</b>	<b>6,488,360</b>
<b>Expenses</b>			
Use of goods and services	14	9,864,507	3,920,378
Employee costs	15	2,295,260	1,966,340
Board /Board Expenses	16	204,000	296,144
Depreciation and amortization expense		-	-
Repairs and maintenance	18	2,547,827	387,210
<b>Total Expenses</b>		<b>14,911,594</b>	<b>6,570,072</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		(-)	(-)
<b>Total Other Gains/(Losses)</b>		-	-
<b>Net surplus/(deficit) for the year</b>		<b>(323,707)</b>	<b>(81,712)</b>

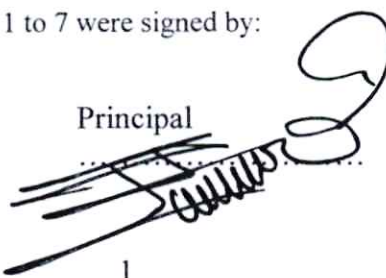
(The notes set out on pages 24 to 44 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 7 were signed by:

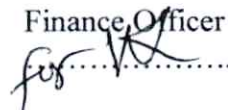
Chairman of the Board

.....  


Principal

.....  


Finance Officer

for .....  


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

Statement of Financial Position As At 30th June 2024

Description	Notes	2023/2024	2022/2023
		FY	FY
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		332,905.75	617,355
Current portion of receivables from exchange transactions		-	-
Receivables from non-exchange transactions		-	-
Inventories	25	141,055	129,150
Investments in financial assets		-	-
Prepayments		-	-
<b>Total Current Assets</b>		<b>473,960.75</b>	<b>746,505</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions		-	-
Investments		-	-
Property, plant, and equipment		-	-
Intangible assets		-	-
Investment property		-	-
Biological Assets		120,000	140,000
<b>Total Non-Current Assets</b>	31	<b>120,000</b>	<b>140,000</b>

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


Description	Notes	2023/2024	2022/2023
		FY	FY
		Kshs	Kshs
<b>Total Assets (A)</b>		593,960.75	886,505
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions			-
Refundable deposits from customers			-
Current provisions			-
Finance lease obligation			-
Deferred income			-
Employee benefit obligation		-	-
Payments received in advance		-	-
Current portion of borrowings		-	-
Social Benefits		-	-
<b>Total Current Liabilities</b>			-
<b>Non-Current Liabilities</b>			
Finance lease obligation		-	-
<b>Total non- current liabilities</b>		-	-
<b>Total Liabilities (B)</b>			-

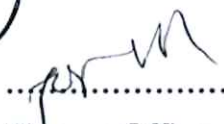
**Riatirimba Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

Description	Notes	2023/2024	2022/2023
		FY	FY
		Kshs	Kshs
Net Assets (A-B)			-
<b>Represented By:</b>			
Revaluation Reserves		-	-
Accumulated Surplus		-	(81,712)
Capital Fund		-	-
<b>Net Assets</b>		<b>593,960.75</b>	<b>804,793</b>

The Financial Statements set out on pages 1 to 7 were signed by:

  
 .....  
**Chairman of Board/Board**  
 Date

  
 .....  
**Principal**  
 Date

  
 .....  
**Finance Officer**  
**ICPAK No**  
**Date**

## 16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2022</b>	-	499,151	-	<b>499,151</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(81,712)	-	(81,712)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2023</b>	-	-	-	-
	-	-	-	-
<b>At July 1, 2023</b>	-	417,439	-	<b>417,439</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(323,707)	-	(323,707)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	-	93,732	-	<b>93,732</b>

**Note:**

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

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

**17. Statement of Cash Flows For The Year Ended 30 June 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	7,821,115	3,423,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students	9	6,533,515	3,061,760
Sale of goods			
Rental revenue from facilities and equipment	11	100,000	
Finance income		-	-
Miscellaneous income	13	133,257	3,600
<b>Total Receipts</b>		<b>14,587,887</b>	<b>6,488,360</b>
<b>Payments</b>			
Use of goods and services	14	9,864,507	3,920,378
Employee costs	15	2,295,260	1,966,340
Board /Board Expenses	16	204,000	296,144
Repairs and maintenance	18	2,547,827	387,210
Contracted services		-	-
Grants and subsidies		-	-
<b>Total Payments</b>		<b>14,911,594</b>	<b>6,570,072</b>
<b>Net Cash Flows from operating activities</b>		<b>(323,707)</b>	<b>156,427</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(-)	
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>1Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		(-)	(-)
<b>Net cash flows used in financing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>-</b>	
Cash and Cash equivalents at 1 JULY 2023		617,355	91,450
<b>Cash and Cash equivalents at 30 JUNE 2024</b>	26	<b>332,905.75</b>	<b>617,355</b>

*(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)*

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
Transfers from other National Government entities	8,750,000	(-)	8,750,000	7,821,115	3,246,885	31.1 %(a)
Grants from donors and development partners	-	(-)	-	-	(-)	-
Transfers from other levels of government	-	(-)	-	-	(-)	-
Public contributions and donations	-	(-)	-	-	(-)	-
Rendering of services- fees from students	5,944,500	(-)	5,944,500	6,533,515	(589,015)	(9.9) %(b)
Sale of goods	-	(-)	-	-	-	-
Rental revenue from facilities and equipment	-	(-)	-	100,000	(-)	-
Finance income	-	(-)	-	-	(-)	-
Miscellaneous Income	4,908,740	(-)	4,908,740	133,257	(4,435,940)	90.37 %(c)
<b>Total Income</b>	<b>19,603,240</b>	<b>(-)</b>	<b>19,603,240</b>	<b>14,587,887</b>	<b>(4,435,588)</b>	<b>22.63 %</b>
<b>Expenses</b>						
Use of goods and services	7,542,080	-	7,542,080	9,864,507	(2,322,427)	16.09 %(d)
Employee costs	2,642,160	(-)	2,642,160	2,295,260	(246,900)	28.95 %(e)
Board /Board Expenses	538,200	(-)	538,200	204,000	334,200	62 %(f)
Repairs and maintenance	231,000	(-)	231,000	2,547,827	(2,316,827)	1,002.0 %(g)
Contracted services	-	(-)	-	-	-	-
Grants and subsidies	-	(-)	-	-	-	-
Finance costs	-	(-)	-	-	-	-
<b>Total Expenditure</b>	<b>10,953,440</b>	<b>(-)</b>	<b>10,953,440</b>	<b>14,911,594</b>	<b>(4,486,733.75)</b>	<b>40.96 %</b>
<b>Surplus For the Period/deficit</b>	<b>8,649,800</b>	<b>-</b>	<b>8,649,800</b>	<b>(323,707)</b>	<b>(8,922,321.75)</b>	<b>103.15 %</b>
<b>Capital Expenditure</b>	<b>2,303,640</b>	<b>-</b>	<b>2,303,640</b>	<b>15,712,595.50</b>	<b>13,408,955.50</b>	<b>682.08 %</b>

**(Budget notes)**

- a. The difference was due to capitation which was not received
- b. The changes were due to help received during the period
- c. The difference was due to poor collection
- d. The difference was due to increased number of operations
- e. The changes were due to increased number of BOG trainers
- f. The changes were due to increased number of sittings during the periods
- g. The difference was due to increased number of operations in the college

**19. Notes to the Financial Statements**

**1. General Information**

Riatirimba technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to engage the minds of learners in order to enhance creativity and innovation to propel quality skills towards meeting industry needs.

**2. Statement of Compliance and Basis of Preparation**

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

**3. Adoption of New and Revised Standards**

**i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.**

There are no new standards in the year ended 30th June 2024

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

Standard	Effective date and impact:
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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

	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

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

---

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board or Board on *12<sup>th</sup> October 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of *the budget* on the FY 2023/2024 budget following the Board/ 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.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule xxx of the *PFM* Act.

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

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

**f) Leases**

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

**g) Intangible assets**

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

**h) 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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (Amend as appropriate).* 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.

***Financial assets***

***Classification***

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

***Subsequent measurement***

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

***Amortized cost***

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

***Fair value through net assets/ equity***

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

### ***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.

### **Inventories (Continued)**

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

#### **k) Provisions**

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

#### **Contingent liabilities**

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

#### **Contingent assets**

The *Entity* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* 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 benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**m) Changes in accounting policies and estimates**

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

**n) Employee benefits**

**Retirement benefit plans**

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

**o) 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.

**p) 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.

**q) Related parties**

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

**r) Service concession arrangements**

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

**s) Cash and cash equivalents**

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

**t) Comparative figures**

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

**u) Subsequent events**

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

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the *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 were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included

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

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

**6. Transfers from other National Government entities**

	2023-2024 FY	2022-2023 FY
<b>Unconditional Grants</b>		
Capitation Grants	2,575,827	2,423,000
Operational Grant	2,000,000	1,000,000
Other Grants (Scholarships)	3,245,288	-
<b>Total unconditional Grants</b>	<b>7,821,115</b>	<b>3,423,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>		

**(a) Transfers from other Government entities (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	4,575,287	-	-	2,423,000	-
EDUCATION Ministry	3,245,288	-	-	1,000,000	-
<b>Total</b>	<b>7,820,575</b>	<b>-</b>	<b>-</b>	<b>3,423,000</b>	<b>-</b>

**7. Grants from Donors and Development Partners**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
<b>Total Grants from Development Partners</b>	<b>-</b>	<b>-</b>

**8. Transfers from Other Levels of Government**

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

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>

**9. Rendering of Services**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Tuition Fees	5,662,345	2,647,010
Activity Fees	-	2,000
Industrial Attachment Fees	18,000	18,320
Examination Fees	304,370	161,710
Travelling		2,000
EWC	3,500	2,000
Facilities And Materials	100,000	-
Administration		10,000
RMI	6,200	2,000
Caution fee		61,520
P/E	9,000	2,000
Registration Fees	143,500	149,600
Others ( <i>Supplimentary</i> ),direct deposits	286,600	3,600
<b>Total Revenue from The Rendering of Services</b>	<b>6,533,515</b>	<b>3,061,760</b>

*(the revenue amount is due to the result of tuition fees paid, attachment fees, income generating unity and Helb loan)*

**10. Sale of Goods**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce		0
Cafeteria sales	-	-
Other sales (specify)	-	-
<b>Total Revenue from Sale of Goods</b>	<b>0</b>	<b>0</b>

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

**11. Rental revenue from facilities and equipment**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Hire of Facilities and Equipment	100,000	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>100,000</b>	<b>-</b>

*(Payments from institutions for using our machines for practical's.)*

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

**12. Finance Income**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others ( <i>specify</i> )	-	-
<b>Total finance income</b>	-	-

(Provide brief explanation for this revenue.)

**13. Miscellaneous Income**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Income written back	-	-
Others	133,287	3,600
<b>Total other income</b>	<b>133,287</b>	<b>3,600</b>

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

**14. Use of Goods and Services**

Teaching and learning materials	1,374,414	812,583
Industrial attachment costs	38,500	44,262
Electricity	783,000	360,000
Water	-	-
Sports	762,062	288,650
Professional and consultancy services		0
Subscriptions	313,662	163,900
Advertising	460,440	259,100
Examination fees	883,624	238,060
Audit fees	-	-
Catering, conferences, and delegations	230,521	145,423
Travelling and accommodation	2,529,390	1,095,135
Fuel and oil	32,000	38,161
Admin costs	1,902,164	0
Legal expenses	-	-
Licenses and permits	-	-
Postage	7,725	7,725
Printing and stationery	93,500	79,143
Hire charges	-	-
Rent expenses	-	-
Skills development levies		-
Telephone expenses	32,100	3,000
Internet expenses	78,100	66,796
Training expenses	128,550	183,400
Bank charges		10,030
Other (operating)	214,755	125,010
<b>Total good and services</b>	<b>9,864,507</b>	<b>3,920,378</b>

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

**15. Employee Costs**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Salaries and wages	2,295,260	1,966,340
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>2,295,260</b>	<b>1,966,340</b>

**16. Board/Board Expenses**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Board Expenses	204,000	296,144
<b>Total</b>	<b>204,000</b>	<b>296,144</b>

**17. Depreciation and Amortization expense**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>-</b>	<b>-</b>

**18. Repairs and Maintenance**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Property	1,178,527	387,210
Investment property – earning rentals	-	-
Equipment and machinery	134,900	-
Vehicles	-	-
Furniture and fittings	15,600	-
Computers and accessories	1,218,800	-
<b>Total Repairs and Maintenance</b>	<b>2,547,827</b>	<b>387,210</b>

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

**19. Contracted Services**

	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
<b>Total contracted services</b>	-	-

**20. Grants and Subsidies**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
<b>Total Grants and Subsidies</b>	-	-

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.*

**21. Finance Costs**

Description	2023-2024 FY	2022-2023 FY
Borrowings (Amortized Cost) *	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
<b>Total Finance Costs</b>	-	-

*(\*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

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

---

**22. Cash and Cash Equivalents**

Description	2023-2024 FY	2022-2023 FY
	KShs	KShs
Current Account	332,905.75	617,355
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>332,905.75</b>	<b>617,355</b>

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

**26 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account No.	2024 FY	2022-2023 FY
<b>a) Current Account</b>			
Kenya Commercial Bank	1283392763	332,905.75	617,355
Equity Bank, etc.		-	-
<b>Sub- Total</b>		<b>332,905.75</b>	<b>617,355</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>e) Others (Specify)</b>			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
<b>Sub- Total</b>	<b>1283392763</b>	<b>332,905.75</b>	<b>617,355</b>
<b>Grand Total</b>	<b>1283392763</b>	<b>332,905.75</b>	<b>617,355</b>

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

**23. Receivables from Exchange transactions**

**27 (a) Current Receivables from Exchange transactions**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	-	-
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	-	-

**27 (b) Long-term Receivables from Exchange transactions**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
<b>Total</b>	-	-
Current Portion Transferred To Current Receivables	-	-
<b>Total Non-Current Receivables</b>	-	-
<b>Total Receivables</b>	-	-

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

Description	2023-2024 FY		2022-2023 FY	
	Current	% of total	Comparative FY	% of total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-

**27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

**24. Receivables from non-Exchange transactions**

	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	
Undisbursed Donor Funds	-	
Other Debtors (Non-Exchange Transactions)	-	
Less: Impairment Allowance	-	
<b>Total Current Receivables</b>	-	

(\*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

**28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions**

Description	2023-2024 FY		2022-2023 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

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

**28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	2023-2024	
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**25. Inventories**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Consumable stores	126,900	88,800
Maintenance stores	-	29,600
Health Unit stores	-	-
Electrical stores	7,090	-
Cleaning Materials stores	-	6,500
Catering stores	-	420
Less: Impairment allowance	141,055	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>141,055</b>	<b>129,150</b>

26. Investments in financial assets

Description		
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- Total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank X	-	-
Bank Y	-	-
<b>Sub- Total</b>	-	-
<b>c) Equity Investments (Specify)</b>		
Equity/ Shares in Company	-	-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

For investments in equity shares listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		2023-2024	2022-2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

27. Prepayments

Description	2023-2024 FY	2022-2023 FY
	Kshs.	Kshs.
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
<b>Total</b>	-	-

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

28. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computer s	Plant and equipment	Other Assets (specify)	Capital Work In progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2022 (previous year)</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023 (previous FY)</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023 (current year)</b>	-	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>									
<b>At 1 Jun 2024(previous year)</b>	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>At 30 Jun 2024 (current year)</b>	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2024 (current year)</b>	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>									
<b>At 30<sup>th</sup> Jun 2023 (previous year)</b>	-	-	-	-	-	-	-	-	-

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

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 30<sup>th</sup> Jun 2024 (current year)</b>	-	-	-	-	-	-	-	-	-

*[Include Brief Description Of WIP As A Footer]*

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

**Notes to the Financial Statements (Continued)**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by xxx professional valuers on xxx. These amounts were adopted in the financial statements on xxx.

**32 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	Nil
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

**29. Intangible Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		

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

<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

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

**30. Investment Property**

Description	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
<b>At end of the year</b>	-	-

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

**31. Biological Assets**

	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Cattle	-	-
Trees		40,000
Others (Specify)	120,000	100,000
<b>Total</b>	<b>120,000</b>	<b>140,000</b>

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

**32. Trade and Other Payables**

	2023-2024 FY		2022-2023 FY	
	Kshs		Kshs	
Trade payables	-		-	
Fees paid in advance			-	
Salary deductions			-	
Third-Party Payments			-	
Other Payables			-	
<b>Total Trade and Other Payables</b>			-	
<b>Ageing analysis:</b>	<b>2023-2024 FY</b>	<b>% of the Total</b>	<b>2022-2023 FY</b>	<b>% of the Total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (to tie to totals above)</b>	-	-	-	-

**33. Refundable Deposits from Customers/Students**

	2023-2024 FY		2022-2023 FY	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
<b>Total Deposits</b>	-		-	

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

<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% Of the Total</b>	<b>Comparative FY</b>	<b>% Of the Total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (to tie to totals deposits above)</b>	-	-	-	-

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

<b>Description</b>	<b>2023-2024 FY</b>	<b>2022-2023 FY</b>
	<b>Kshs</b>	<b>Kshs</b>
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-
<b>Net asset or liability arising from defined benefit obligation</b>		

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

**34. Payments received in advance.**

	2023-2024 FY		2022-2023 FY	
	Kshs		Kshs	
Fees received in advance	-		-	
Others (Specify)	-		-	
Total	-		-	
<b>Ageing analysis:</b>	<b>2023-2024 FY</b>	<b>% of the Total</b>	<b>2022-2023 FY</b>	<b>% of the Total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**35. Cash generated from operations.**

	2023-2024 FY		2022-2023 FY	
	Kshs		Kshs	
<b>Adjusted for:</b>				
Depreciation	-		-	
Non-Cash grants received	-		-	
Contributed assets	-		-	
Impairment	-		-	
Gains and Losses on Disposal of Assets	-		-	
Contribution to provisions	-		-	
Contribution to impairment allowance	-		-	

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

Surplus for the year before tax	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Finance Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>	-	-
Increase in Inventory	-	129,150
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	-	-

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

### **36. Financial Risk Management**

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

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

#### **(i) Credit risk**

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

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

#### **Financial risk management (continued)**

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

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

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

---

**(ii) Liquidity risk management**

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

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

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

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

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

**b) Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

**37. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

**RIATIRIMBA TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup>, June 2024**

**Appendix III- Inter-Entity Confirmation Letter**

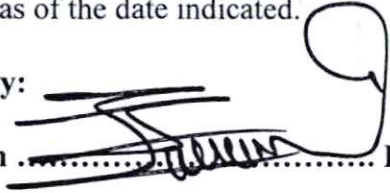
Name of transferring entity, State Department of TVET

Name of beneficiary entity **Riatirimba Technical and Vocational College**

<b>Confirmation of amounts received by [Riatirimba Technical and Vocational College] as at 30<sup>th</sup> June (2024)</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP9/36(126)	11/07/2023	500,000	-	500,000	
MOE/DTE/CAP9/35(84)	02/10/2023	500,000	-	500,000	
	18/01/2024	500,000	-	500,000	
	05/02/2024	500,000	-	500,000	
<b>Total</b>		<b>2,000,000</b>	-	<b>2,000,000</b>	

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

**Head of Accounts Department - Disbursing Entity:**

Name ..... *Kawelo Joseph* ..... Sign .....  ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**

Name ..... Sign ..... Date.....

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

**Appendix IV: Reporting of Climate Relevant Expenditures**

	Project Description	Business Unit	Project Activity	GHG Emissions			Other		
				CO <sub>2</sub> e	CH <sub>4</sub>	N <sub>2</sub> O	Other	Other	Other
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-