


REPUBLIC OF KENYA



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Enhancing Accountability

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DATE:	022 MAR 2023 Thursday
TABLED BY:	Leader of the Majority Party
CLERK-AT THE-TABLE:	Joyce Kemerele

OF

THE AUDITOR-GENERAL

ON

**RANGWE TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2020**



RANGWE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2020

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

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

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RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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I. Key Entity Information and Management

(a) Background information

The *institution* was established under the TVET Act/2013 in the year 2019. The entity is domiciled in Kenya and does not have any other Branch. The institute is under the Ministry of Education which provides the general policy and strategic direction on Kenya's higher Education.

The Institution has since established departments as follows:

- i. Automotive
- ii. Agriculture
- iii. ICT
- iv. Electrical
- v. Building

The 5 departments offer various programs ranging from Certificate to diploma.

(b) Principal Activities

The principal activity of Rangwe technical & vocational college is to provide high quality education through teaching, research, community service in order to produce innovative graduates who meet the demands of the labour market.

Vision

To be a global leader in providing quality technical training that promotes creativity and innovation.

Mission

To provide relevant technical skills and training that enables learners to attain competency for self-reliance.

Core Values

In her commitment to realizing her vision and mission, Rangwe Technical is guided by the following core values:

- 1) Integrity
- 2) Professionalism
- 3) Innovation
- 4) Team work
- 5) Social responsibility

(c) Key Management

Rangwe Technical day to day management is under the following key organs:

- 1) Board of Management
- 2) Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Ezekiel Omollo
2.	Deputy principal Finance	Mr. Moses Okwiri
3	Deputy principal Academics	
4	Registrar (s)	-
5	Dean of students	-
6	Head of Finance	-

(e) Fiduciary Oversight Arrangements

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

Rangwe TVC only had two committees that is Academic, Finance and operations this is because it had just started its operation.

Name of the Committee	Members
Finance Infrastructure & Resource Mobilization Committee	<ol style="list-style-type: none"> 1. Mr. Elphas Omondi - Chairperson 2. Ms. Immaculate Kioko - Member 3. Ms. Roselyne Liech -Member 4. Mr. Ezekiel Omollo - Secretary
Education Training and Research	<ol style="list-style-type: none"> 1. Mr. Calleb Miyawa -Chairperson 2. Ms. Joan Chepgeno -Member 3. Ms. Cynthia Ochuodho -Member 4. Mr. Ezekiel Omollo - Secretary

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Annual Report and Financial Statements for the year ended 30th June 2020

Key Entity Information and Management (Continued)

(f) Entity Headquarters
Rangwe Technical and Vocational College
P.O. Box 396 - 40300
HOMA BAY, KENYA


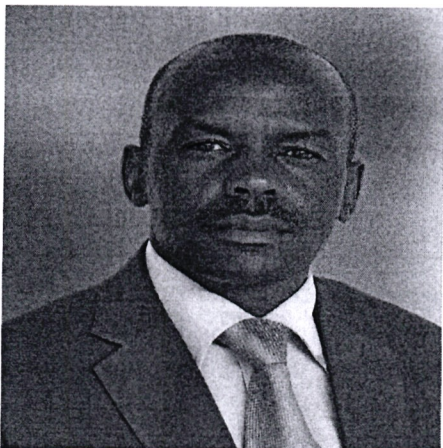
(g) Entity Contacts
Telephone: 0718035475
E-mail: rangwetechnical@gmail.com

(h) Entity Bankers
Kenya Commercial Bank
P.O. Box
HOMA BAY




(i) Independent Auditors
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. Board of Governors




No.	Member	Details
1.		<p>DR. BENSON ATENG Chairperson</p> <p>Key area of speciality- Holds a PhD, M.A and BED (First class honours) in Economics. He worked in the World Bank for thirty years. Currently he is a senior lecturer and Academic Team Leader of the Department of Economics at the Technical University of Kenya. Dr Ateng has also served as a Chairman of the Consolidated Bank of Kenya in addition, he is a member of the Monetary Policy Committee of the central bank of Kenya. He has also won many honours and awards.</p>
2.		<p>MR. TOM OTIENO OLANG'O Alternate member</p> <p>Key area of speciality- Mathematics Member of Board since 2019 Mr.Olang'o was born in 1970. He works as Deputy Director of Technical and Vocational Education and Training in charge of Kisii, Nyamira, Migori and Homa Bay Counties. He is a long serving public servant with twenty-six years of experience. Previously he worked as a Graduate Teacher of mathematics by the Teachers Service Commission. He is the PS Representative in the Board of Rangwe Technical. He holds a Master of Education in curriculum Studies from Nairobi University</p>

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020


3.		<p>MR. CALEB MIYAWA Independent member Key area of speciality- Education Planning and economics Member of Board since 2019 Mr. Miyawa was born on 1st July 1956. He works as a lecturer at Masinde Muliro University of Science and Technology. He has 37 years of experience. Previously he worked as Registrar and Deputy Principal of various learning institutions under Teachers Service Commission. He holds a Doctorate in Education Planning and economics from Kisii University.</p>
4.		<p>CPA ROSELYNE A. LIECH Independent member Key area of speciality – Finance Member of Board since 2019. Ms. Roselyne was born on 24th August 1977. She works as Senior Accounts Assistant at Rongo University. She has 17 years of experience. Previously she worked in Finance department in different learning institutions. She holds a degree in Bachelor of Commerce from KCA University</p>
5.		<p>MS. CYNTHIA ADHIAMBO OCHUODHO Independent member Key area of speciality - Law Member of Board since 2019. Ms. Cynthia was born on 29th June 1987. She works as SBC Kenya Limited (Pepsi Cola) Legal & Human Resource Manager. She has 10 years of experience. Previously she worked as Legal Officer in different organizations. She is an Advocate of the High Court of Kenya and holds a degree in Bachelor of Law from Moi University.</p>

RANGWE TECHNICAL AND VOCATIONAL COLLEGE



Annual Report and Financial Statements for the year ended 30th June 2020

6.		<p>ENG. ELPHAS ODIWUOR OMONDI Independent member Key area of speciality – Project management Member of Board since 2019. Eng. Elphas was born in 1983. He works as B360 Inc. /USAID Projects Quality Control Engineer. He has 14 years of experience. Previously he worked in different organizations in different capacity. He holds a Master’s degree in Project Management from Atlantic International University.</p>
7.		<p>MS. Immaculate Kioko Independent member Key area of speciality – Information Technology Member of Board since 2019. She holds a degree in Bachelor of Science in Information Technology</p>
8.		<p>MS. JOAN CHEPNG'ENO Independent member Key area of speciality – Chemical and process Engineering Member of Board since 2019. Ms. Joan was born in 1992. She works as Kenya Breweries Limited EISC Brewing and Quality Lead. She has 4 years of experience. Previously she worked in different organizations in different capacity. She holds a Bachelor’s degree in Chemical and Process Engineering from Moi University</p>

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

9.		<p align="center">MR. EZEKIEL OMOLLO The Principal Key area of speciality – Analytical Chemistry Mr. Ezekiel Omollo is the Principal of Rangwe Technical and Secretary to the Board. He has worked for 30 years in Technical Education He holds Bed Ed.Sc, Higher Diploma Analytical Chemistry Dip Ed sc.</p>
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III. Management Team

No.	Member	Details
1.		<p>Mr. Ezekiel Omollo Bed Ed Higher Diploma Analytical Chemistry Dip Ed Sc The Principal</p>
2.		<p>Mr. Moses Okwiri Masters Degree in Business Administration Bed Sc. Diploma in Technical Ed. The Deputy Principal</p>
3.	Manager 3	
4.	Manager 4	

IV. Chairman's Statement

It is my humble privilege to present to our stakeholders the Annual Reports and Financial Statements of Rangwe Technical & Vocational College for the financial year ended 30th June, 2020. This report gives a true reflection of the performance of Rangwe Technical over the period, January, 2020 to June, 2020. The report highlights key activities Rangwe Technical carried out during the year. It also illustrates the successes and challenges the institution encountered over the period.

Notably, the Technical constructed temporary hostels to assist in increase of students' population. Despite the significant successes over the period, the Technical continued to face challenges including insufficient funding, inadequate infrastructure and student population. Funding limitation prevented the Technical from recruiting senior administrative staff. To improve its financial position, the Technical has embarked on improving on its marketing strategy.

Finally, I wish to thank the Government of Kenya for the continued support as well as all the stakeholders who have contributed to the successes of the Technical this far. There is nothing much I can say being that the College has just been in operation for six months.

My utmost appreciation to the Technical Management Board, the entire staff and students of the Technical for steadfast and unrelenting effort to sustain the growth of Rangwe Technical and Vocational College.

Thank you.



DR. Benson Ateng

CHAIRPERSON OF RANGWE TECHNICAL AND VOCATIONAL COLLEGE.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

V. Report of the Principal

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30th June, 2020. This is the first time the College is preparing its financial statements.

This has been a year of new challenges but also a year when the College achieved significant milestones. It borrowed some money from Mentor College to construct Temporary Hostel to increase its student population.

Human Resource Matters

On human resource matters, the College was able to employ a few B.O.G Non-Teaching and Teaching staff

In the interest of employee development, the College has continued to facilitate both academic and administrative staff going for conferences, workshops, trainings.

Security

To enhance security, the College has been able to do temporary fencing around the College and constructed a temporary gate.

Higher Education Funding

Increasingly, College are finding themselves over budgeted and underfunded, this is not only a local trend, but a global one. While the government has continued to be the major source of funding, it is clear that the College must strategize on how to raise additional funding.

Financial Performance Review

In the financial year 2019/2020, Rangwe Technical started the financial year with a nil cash balance this is because for the first half a year of the financial year under review all its expenses were taken care of by the Mentor College that is Mawengo TVC. In the remaining six months the college managed to collect Kshs.781,200 from A-I-A and borrowed ksh.1,224,752 from its Mentor for the construction of Temporary hostel. In total therefore, the college had Kshs 2,005,952 at its disposal.

Mr. Ezekiel Omollo

PRINCIPAL



RANGWE TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2020

VI. Statement of Performance against Predetermined Objectives

The College has Three (3) Key Result areas and 3 objectives even though it has not yet developed any Strategic Plan. These strategic pillars are as follows:

1. Academic Excellence
2. Financial sustainability
3. Institutional Capacity

The College develops its annual work plans based on the above Three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College did not have any performance targets set for the FY 2019/2020 period for its 3 planned key result areas, as indicated in the table below because it had just started its operation

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	To produce quality and innovative graduates	Number of courses accredited	Make sure that National Industrial Training Authority inspects the college for accreditation of the courses it offers	National Industrial Training Authority inspected the college on 26 th February for accreditation of 16 courses so that the examination can be undertaken within the college.
Financial Sustainability	To improve financial sustainability	Get students to join the College	Effectively market the college to get students to join being that it's a new college	The College realized student enrolment of 72 during the year 2019-2020
Institutional Capacity	To engage, train and retain quality and competent Human Resource	Number of staff recruited and inducted	Ensure staff recruitment and induction	BOG Non-Teaching staff and a few Teaching staff were employed to jam staff the College being that it had just started its operation

Link between Key Result Areas with Performance Contracting

The College did not have any link between Key Results Areas with Performance Contracting because it had just started its operation so it had not signed any Performance Contract during the year under review.

VII. Corporate Governance Statement

This section provides information on the appointment, composition, meetings, remuneration and renewal of contracts of Board.

VII.1 Appointment and Removal of Board Members

The appointment and removal of Board Members is guided by the provisions of the TVET Act, 2013. Currently, Rangwe Technical has a total of 9 board members comprising the Chairperson of Board, a representative of the Principal Secretary in the Ministry responsible for technical and vocational training and six other persons appointed on the basis of their knowledge and experience in leadership and management, Financial management, technology, industry, engineering, information communication technology, as well as the Principal of the institution who shall be the Secretary. The independent Board members and the Chairperson are appointed by the Cabinet Secretary, Ministry of Education, while the representative is seconded to the Board by his/her respective Principal Secretaries.

A member of a Board of Governors may at any time resign by giving notice in writing to the Cabinet Secretary.

The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member-

- Is sentenced by a court of law to imprisonment for a term of six months or more
- Is incapacitated by physical or mental illness
- Has been absent from three consecutive meetings of the Board of Governors without leave
- Where the member is a representative, has his appointment revoked by the nominating body

Where the office of a member of a Board of Governor becomes vacant by reason other than the expiry of the period of that office, the Cabinet Secretary may, in accordance with the provisions of this Act appoint another person to replace the member.

VII.2 Composition, Board Meetings, and Conflict of Interest

The Board brings together Members from different professional backgrounds with diverse skills, competencies and complies broadly with the constitutional gender balance requirements.

Conflict of Interest was declared and recorded during all the meetings, with a conflict of interest register signed by all members

VII.3 Role of the Chairperson of the Board

The Chairperson provides leadership and governance of the Board and creates conditions for overall Board effectiveness by ensuring that all key and appropriate issues are discussed by the Board in a timely manner. He ensures that the Board plays a full and constructive part in the development and determination of the College's strategies and policies. He also ensures that the Board is supplied with timely and sufficient information to enable it discharge its duties effectively. In furtherance of the above, the Chairperson ensures adherence to good corporate governance practices and procedures, and continuously promotes the highest standards of integrity, morality and corporate governance.

VII.4 Role of the Board

The Board is committed to ensuring that ethics and integrity remain at the core of the College's operations. It recognizes that ethical management is key to the College's sustainability and is therefore, continuously putting in place practices, systems and processes to integrate ethics in all its operations.

The Board is responsible for overall strategic direction and operational guidance of the College. In this regard, the responsibilities of the Board include:

- i. Determining the College mission, vision, purpose and core values;
- ii. Reviewing, evaluating and approving, on a regular basis, long-term plans for the College;
- iii. Reviewing, evaluating and approving the College budget and financial forecasts;
- iv. Reviewing, evaluating and approving major resource allocations and capital investments;
- v. Reviewing, evaluating and approving the operating and financial results of the College;
- vi. Ensuring effective, accurate, timely and transparent disclosure of relevant information on the College operations and performance;
- vii. Ensuring that effective processes and systems of risk management and internal controls are in place;
- viii. Enhancing the College public image and ensuring engagement with stakeholders through effective communication;
- ix. Monitoring compliance with the Constitution, all applicable laws, regulations and standard; and

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

- x. Reviewing, monitoring and ensuring that the College is effectively and consistently delivering on its mandate.

VII.5 Board’s Key achievements during the FY 2019/2020

- i) Approved and continually monitored the implementation of the College’s Annual Operating Procurement Plans and Budget;

VII.6 Board Membership and Attendance

The Board normally hold Full Board and Committee meetings. The Board has a total of Two Committees. The Board held a total of 2 Full Board meeting and 2 Committee meetings. Sufficient quorum was obtained and sustained during all the meetings, with each Board member registering over 95% attendance. In the year under review the attendance of the meetings are as per the table below:

Summary of Board meetings and attendance 2019/2020 FY

	BOARD MEMBERS	COMMITTEE MEETINGS	FULL BOARD MEETINGS	TOTAL ATTENDANCE
1.	Dr. Benson Ateng		2	2
2.	Mr. Ezekiel Omollo	1	2	3
3.	Mr. Tom Otieno Olang’o	1	2	3
4.	Mr.Caleb Miyawa	1	2	3
5.	CPA Roselyne A. Liech	1	2	3
6.	MS. Cynthia A. Ochuodho	1	2	3
7.	Eng. Elphas O. Omondi	1	2	3
8.	Ms. Immaculate Kioko	1	2	3
9.	Ms. Joan Chepng’eno	1	2	3

VII.7 Board Induction and Capacity Building

The current Board members were to be inducted into office in April, 2020 but it was postponed to July 2020 due Coronavirus pandemic

VII.8 Board Remuneration

The Board members, except for the Principal, are not paid salary. However, their remuneration includes sitting allowances whenever they attend Board meetings at the agreed rates

VII.9 Corruption Prevention

The College has a zero tolerance on corruption

VII.10 Risk Management

Risk management is a strategic function of the College's business and is applied in the day to day operations across all departments. This ensures that all risks are managed optimally and comply with the approved policies and doctrines of good corporate governance. In the year under review, the College continued to implement the various mitigation strategies to ensure that the risk levels are minimized.

VIII. Management Discussion and Analysis

VIII.1 General Statistics

VIII.1.1 Student Enrolment

Rangwe Technical has a student population of 72 students this is due to the fact that it just started its operation recently

VIII.1.2 Employee Statistics

a) Employee Distribution

The college has a total staff population of 18 comprising of 8 Public Service Commission, 4 BOM Teaching staff and 6 support staff.

VIII.2 Key Project that the college is implementing

VIII.2.1. Construction of Temporary hostels

The hostels are two separate blocks for ladies and men plus pit latrines

VIII.3 Compliance with Statutory Requirements

The college complied with statutory deductions.

The college contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

VIII.4. Major potential risks facing the college

- a) Insufficient funding due to inadequate allocation and low revenue collection.
- b) Competition from colleges that offer similar programs, hence affecting attraction of students.
- c) Political risks
- d) Economic risks such as inflation

IX.Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

The college did not achieve this target because it had just been in operation for six months

Environmental performance

Sewerage and waste water disposal system at the institution;

The College disposes sewage and waste water using septic tanks

Solid waste disposal

There are several portable and fixed dust bins distributed in various offices and at strategic external points within the College. The dustbins are emptied daily to the nearby compost heaps and burned.

Employee welfare

The college has put in place policies that guide the hiring process of B.O.G employees. In the interest of employee development, the College has continued to facilitate both academic and administrative staff going for conferences, workshops, trainings whenever possible to improve on their skills.

The college has put in place policy on safety and compliance with Occupational Safety and Health Act of 2007 to improve on working condition of employees.

Market place practices-

The College did not do anything on Market place practices because it had just been in operation for six months.

Corporate Social Responsibility / Community Engagements

The College did not do anything on Corporate Social Responsibility because it had just been in operation for six months.

X. Report of the Board of Governors

The Board members submit their report for the year ended June 30, 2020, which show the state of the College's affairs. The Board members do not have an Audited report to submit because the College has not been audited by the Kenya National Audit team.

Principal activities

The principal activity of Rangwe Technical and Vocational College continues to be provision of Technical education

Results

The results of the Institution for the year ended June 30 are set out on page 1 to 7

Board of Governors

The members of the Board who served during the year are shown on page 5 to 8.

Auditors

The Auditor General is responsible for the statutory audit of Rangwe Technical in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

XI. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board to prepare financial statements in respect of Rangwe Technical, which give a true and fair view of the state of affairs of the College at the end of the financial year and the operating results of the college for the year ended 30th June, 2020. The Board is also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board is also responsible for safeguarding the assets of Rangwe Technical.

The Board is responsible for the preparation and presentation of Rangwe Technical financial statements, which give a true and fair view of the state of affairs of Rangwe Technical as at the end of the financial year ended June 30, 2020. 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 Rangwe Technical; (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 Rangwe Technical; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for Rangwe Technical financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Technical and vocational education and training Act No.29 of 2013. The Board are of the opinion that Rangwe Technical financial statements give a true and fair view of the state of Rangwe Technical transactions during the financial year ended June 30, 2020, and of the Rangwe Technical financial position as at that date. The Board further confirms the completeness of the accounting records maintained for the Rangwe Technical, which have been relied upon in the preparation of the Rangwe financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Rangwe Technical and Vocational Education Training financial statements were approved by Board on 23rd September 2020 and signed on its behalf by:

Dr. Benson Ateng

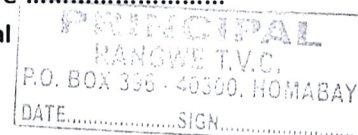
Signature.....

Chairperson of the Board

Mr. Ezekiel Omollo

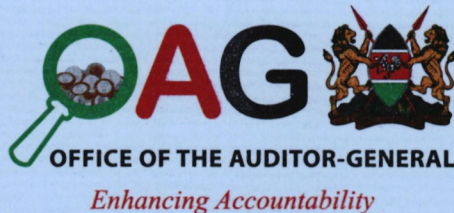
Signature.....

Principal



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RANGWE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Rangwe Technical and Vocational College set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Rangwe Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance totalling Kshs.1,250,680, as further disclosed in Note 13 to the financial statements. However, examination of the assets register and physical verification of the College's assets revealed that the institution owned land whose value was not included in the assets register or disclosed in the financial statements.

In the circumstance, the accuracy, completeness and fair presentation of property, plant and equipment balance totalling Kshs.1,250,680 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rangwe Technical and Vocational College Management in accordance with ISSAI 130 on 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain 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 terminate the College or 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.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 October, 2022

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020




XIII. Statement of Financial Performance for the year ended 30 June 2020

Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,000,000	00
		1,000,000	00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	2,652,140	00
Revenue from Exchange transactions		2,652,140	00
Total Revenue		3,652,140	00
Expenses			
Use of goods and services	8	265,340	00
Employee costs	9	91,600	00
Total Expenses		356,940	00
Net surplus for the year		3,295,200	00

N.B Rangwe TVC has zero balances on 2018-2019 because financial statement was first adopted on 2019-2020.

(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

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

		
.....
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No 27257	
Date 28/09/2020	Date 28/09/2020	Date 28/09/2020


RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020


XIV. Statement of Financial Position as at 30th June 2020

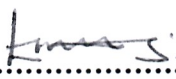
Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	10	448,932	00
Current portion of receivables from exchange transactions	11(a)	1,871,340	00
Receivables from non-exchange transactions	12	1,000,000	00
		3,320,272	00
Non-Current Assets			
Property, plant, and equipment	13	1,250,680	00
		1,250,680	00
Total Assets		4,570,952	00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	14	1,274,752	00
Refundable deposits from customers	15	1,000	00
		1,275,752	00
Total Liabilities		1,275,752	00
Net Assets		00	00
Reserves		00	00
Accumulated Surplus		3,295,200	00
Capital Fund		00	00
Total Net Assets and Liabilities		4,570,952	00

N.B Rangwe TVC has zero balances on 2018-2019 because financial statement was first adopted on 2019-2020.

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

..... 
Chairman of Council/Board
 Date *28/09/2020*

..... 
Finance Officer
 ICPAK No *2709*
 Date *28/09/2020*

..... 
Principal
 Date *28/09/2020*

PRINCIPAL
 RANGWE T.V.C.
 P.O. BOX 396 - 40300, HOMABAY
 DATE.....SIGN.....

XV. Statement of Changes in Net Asset for the year ended 30 June 2020

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital Development Grants /Fund	Total
At Jan 1, 2020	00	00	00	00	00
Revaluation gain	00	-	-	-	00
Fair value adjustment on quoted investments	-	00	-	-	00
Total comprehensive income	-	-	3,295,200	-	00
Capital/development grants received during the year	-	-	-	00	00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	00	(00)	-
At June 30, 2020	00	00	3,295,200	00	3,295,200

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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XVI. Statement of Cash Flows for the year ended 30 June 2020

Description	Note	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- fees from students	7	780,800	00
Total Receipts		780,800	00
Payments			
Employees costs	9	41,600	00
Use of goods and services	8	265,340	00
Total Payments		306,940	00
Net Cash Flows from operating activities	16	473,860	00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	13	(1,250,680)	(00)
Net cash flows used in investing activities		(1,250,680)	(00)
Cash flows from financing activities			
Proceeds From Borrowing	14	1,224,752	00
Deposits receipts	15	1,000	00
Net cash flows used in financing activities		1,224,752	(00)
Net Increase/(Decrease) in Cash and Cash equivalents		00	(00)
Cash and Cash equivalents at 1 JULY 2019	10	0	00
Cash and Cash equivalents at 30 JUNE 2020	10	448,932	00

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

..... Chairman of Council/Board Finance Officer ICPAK No 27059 Date 28/09/2020 Principal Date 28/09/2020
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PRINCIPAL
RANGWE T.V.C.
P.O. BOX 396 - 40300, HOMABAY
DATE.....SIGN.....

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2020

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	00	(00)	00	00	(00)	0%
Public contributions and donations	00	(00)	00	00	(00)	0%
Rendering of services- fees from students	00	(00)	00	00	(00)	0%
Sale of goods	00	-	00	00	(00)	0%
Finance income	00	-	00	00	00	0%
Other income	00	-	00	00	00	0%
Gains on disposal, rental income and agency fees	00	00	00	00	(00)	0%
Total Income	00	(00)	00	00	(00)	0%
Expenses						0%
Compensation of employees	00	-	00	00	(00)	0%
Use of goods and services	00	(00)	00	00	(00)	0%
Finance costs	00	(00)	00	00	(00)	0%
Rent paid	00	(00)	00	00	-	0%
Remuneration of directors	00	(00)	00	00	-	0%
Grants and subsidies paid	00	-	00	00	-	0%
Total Expenditure	00	(00)	00	00	(00)	0%
Surplus For the Period	00	00	00	00	00	0%

(Budget notes)

There was no budget for the financial year 2019/2020 because at the beginning of the financial year there was no Board in place and the College expenses were managed by the mentor college up to end of December 2019, from January 2020 the expenses were incurred through approval by the Board and the approval can be found on the Board minutes.

XVIII. Notes to the Financial Statements

1. General Information

Rangwe Technical is established by The Technical and Vocational Education and Training Act, 2013 No. 29 of 2013 and derives its authority and accountability from the TVET Act 2013. The institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is to provide high quality education through teaching, research, community service and nurture innovative graduates.

2. Statement of Compliance and Basis of Preparation

The College's financial statements have been prepared in accordance with and comply with the PFM Act, International Public Sector Accounting Standards (IPSAS) and the TVET Act. The financial statements are presented in Kenya shillings (Ksh.), which is the functional and reporting currency of the institution. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise in the accounting policies below. The cash flow statement is prepared using the direct method. The financial statements have been prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Notes to the Financial Statements (Continued)
ADOPTION OF NEW AND REVISED STANDARDS (Continued)

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

Notes to the Financial Statements (Continued)

ADOPTION OF NEW AND REVISED STANDARDS (Continued)

<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

Early adoption of standards

Rangwe Technical did not early – adopt any new or amended standards in year 2020.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions - IPSAS 23

Exchequer allocations

The College recognizes Revenue from exchequer allocation when the monies are received and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institution and fair value of the asset can be measured reliably.

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. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions - IPSAS 9

Fees

The College recognizes revenue from rendering of services to students (fees) by reference to the stage registration when the outcome of the transaction can be estimated reliably. Fee is therefore accrued per semester as per the approved Calendar and fee structures.

a) Budget Information - IPSAS 24

There was no budget for the financial year 2019/2020 because at the beginning of the financial year there was no Board in place and the College expenses were managed by the mentor college up to end of December 2019, from January 2020 the expenses were incurred through approval by the Board and the approval can be found on the Board minutes.

b) Property, plant and equipment

All property, plant and equipment have not been depreciated because the values of donation from the Government of motor vehicle, Computers and Accessories and Machines have not been availed but the Principal had written to them requesting for their values. The value of the Building and land is also not known. The 45 beds were purchase towards the end of the financial year

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

c) 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.

After initial recognition, inventory is measured at the lower of cost and net realizable value. 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.

Cost is determined by the first-in, first –out (FIFO) method. Net realizable value represents the cost the entity would incur to acquire the asset on the reporting date.

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first –out (FIFO) method. Net realizable value represents the cost the Institution would incur to acquire the asset on the reporting date. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institution.

d) Provisions

This is where in 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.

Contingent liabilities

Contingent liabilities are possible obligations that arose from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the College; or a present obligation that arises from past events but is not recognised because: i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

e) Nature and purpose of reserves

The College was just at its inception so it had not created any reserves.

f) Changes in accounting policies and estimates- IPSAS 3

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.

g) Employee benefits Obligations – IPSAS 39

The College contributes to the Statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act 2013. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Ksh.400 per employee per month.

h) Foreign currency transactions IPSAS 4

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.

i) Related parties IPSAS 20

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

j) 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 College Kenya commercial bank 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 authorized staff which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

There are no Comparative figures because the College is preparing its Financial Statements for the first time.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) 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, 2020.

5 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the College 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 at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its assumptions and estimates on parameters available when the 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 Institution. 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 Institution
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

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

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

i. Provision for bad debt

Provisions for bad debts shall be recognized when The College has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Bad debts should only be written off on the authority of the Board. Other bad debts below this amount will only be written off by Rangwe Technical Management Board after steps have been taken to recover the debt and Rangwe Technical Management Board is satisfied that

1. All legal and other measures have been exhausted, but there is still a balance of the debt remaining and;
2. Recovery of the debt would be uneconomical on its part.

ii. Provision for doubtful debt

Management shall review provisions at each reporting date to establish and adjust where necessary changes to reflect the current best estimate. Currently the College has not made any provisions.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

6 Transfers from other National Government entities

Description	2019-2020	2018-2019
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	00	00
Operational Grant Accrued	1,000,000	00
Other Grants	00	00
	1,000,000	00

7 Rendering of Services

Description	2019-2020	2018-2019
	Kshs	Kshs
Tuition Fees	244,800.00	00
Activity Fees	5,400.00	00
Administration cost	165,000.00	00
Local Transport & Travelling	125,500.00	00
Practical	22,100.00	00
Electricity, Water & Conservancy	26,600.00	00
Repair, Maintenance & Improvement	4,000.00	00
Personal Emolument	187,000.00	00
Student ID	400.00	00
Accrued fee	1,871,340	00
Total Revenue from The Rendering Of Services	2,652,140.00	00

The College has just started its operation so there is no comparison to be made

8 Use of Goods and Services

Description	2019-2020	2018-2019
	Kshs	Kshs
Administration cost	50,340.00	00
Local Transport & Travelling	215,000.00	00
Total good and services	265,340.00	00

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

Notes to the Financial Statements (Continued)

9 Employee Costs

Description	2019-2020	2018-2019
	Kshs	Kshs
Salaries and wages	41,600.00	00
Salaries and wages Accrued	50,000.00	00
Employee Costs	91,600.00	00

Notes to the Financial Statements (Continued)

10 Cash and Cash Equivalents

Description	2019-2020	2018-2019
	Kshs	Kshs
Current Account	430,282.00	00
Cash in Hand	18,650.00	00
Total Cash and Cash Equivalents	448,932.00	00

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	2019-2020	2018-2019
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1265847177	430,282.00	00
Sub- Total		430,282.00	00
b) Others(Specify)			
Cash in Hand		18,650.00	00
Sub- Total		00	00
Grand Total		448,932.00	00

11 Receivables from Exchange transactions

11(a) Current Receivables from Exchange transactions

Description	2019-2020	2018-2019
	Kshs	Kshs
Current Receivables		
Student Debtors	1,871,340.00	00
Total Current Receivables	1,871,340.00	00

12 Receivables from Non-Exchange transactions

Description	2019-2020	2018-2019
	Kshs	Kshs
Current Receivables		
Recurrent Grants*	1,000,000.00	00
Total Current Receivables	1,000,000.00	00

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

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

Notes to the Financial Statements (Continued)

13 Property, Plant and Equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (Specify) Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
At 1 January 2020	00	00	00	00	00	00	00	00
Additions	00	00	405,000	00	00	00	845,680	1,250,680
Disposals	(00)	(00)	00	00	(00)	00	(00)	(00)
Transfers/Adjustments	00	(00)	00	(00)	(00)	00	00	(00)
At 30th June 2020	00	00	405,000	00	00	00	845,680	1,250,680

Work in Progress was the Temporary Hostel that was under construction

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2020

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were to be identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020), but the value of land has not been given because the College does not have the title deed to the land and building has also not been handed over officially by the mentor College (Mawengo TVC).

13 (b) Property, Plant and Equipment at Cost

The values of freehold land have not been given because the College does not have the title deed, building because it has not been handed over officially and other assets because they were donation from the Government and the College is waiting for the communication from the Government the Principal having written to them requesting for their cost. The only cost that is there is addition to Furniture and fittings that was done towards the end of the financial year. There for there is no depreciation done in the year under review

Description	Cost	Accumulated	
	Kshs	Depreciation	NBV
	Kshs	Kshs	Kshs
Land	00	00	00
Buildings	00	00	00
Plant And Machinery	00	00	00
Motor Vehicles including Motorcycles	00	00	00
Computers and Related Equipment	00	00	00
Office Equipment, Furniture, And Fittings	405,000	00	405,000
Total	405,000	00	405,000

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Notes to the Financial Statements (Continued)

14 Trade and Other Payables from Exchange transactions

Description	2019-2020	2018-2019
	Kshs	Kshs
Salary deductions	50,000	00
Other Payables	1,224,752	00
Total Trade and Other Payables	1,274,752	00

15 Refundable Deposits from Students

Description	2019-2020	2018-2019
	Kshs	Kshs
Caution money	1,000	00
Total Deposits	1,000	00

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Notes to the Financial Statements (Continued)

16 Cash generated from operations

	2019-2020	2018-2019
	Kshs	Kshs
Surplus for the year before tax	3,295,200	
Working Capital Adjustments		
Increase in Receivables	(2,871,340)	(00)
Increase in Payables	50,000	00
Net Cash Flow from Operating Activities	473,860	00

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

17 Financial Risk Management

The College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The College'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 College does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

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Notes to the Financial Statements (Continued)

(i) Credit risk

The College 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.

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 Board.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	1,871,340	1,871,340	00	00
Receivables from non-exchange transactions	1,000,000	1,000,000	00	00
Bank balances	430,282	430,282	00	00
Total	3,301,622	3,301,622	00	00

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

18. Financial Risk Management (Continued)

(i) Credit risk (continued)

The students under the fully performing category are paying their debts as they continue learning. The credit risk associated with these receivables is minimal

The College has significant concentration of credit risk on amounts due from students.

The Board sets the College credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated

(ii) Liquidity risk management

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

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Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade Payables	50,000	00	00	50,000
Current Portion Of Borrowings	00	1,224,752	00	1,224,752
Total	50,000	1,224,752	00	1,274,752

Notes to the Financial Statements (Continued)

The College does not have anything to report on Pages 23 to 27 because

- The College has not been audited so there is nothing to implement.
- The College did not receive any funding for Capital Expenditure so it did not implement any projects.
- There is no money from the Ministry that came direct into the College Account
- The College does not have any Climate Relevant and Disaster expenditure in the financial year under review

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XIX. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date

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Appendix II: Projects Implemented by (The Entity)

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						
3						

Appendix III- Inter-Entity Confirmation Letter

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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[Insert your Letterhead]

[Insert name of beneficiary Entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2020 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary Entity]</i> as at 30 th June 2020						
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (Kshs) as at 30th June 2020			Amount Received by <i>[beneficiary Entity]</i> (KShs) as at 30 th June 2020 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total						

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

Head of Accountants department of beneficiary Entity:

Name Sign Date

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Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities				Source Of Funds	Implementing Partners
			Q1	Q2	Q3	Q4		

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Appendix V: Disaster Expenditure Reporting Template

Date:		Year		Quarter	
Entity:		Year		Quarter	
Period to which this report refers (FY)	Year	Quarter	Quarter	Quarter	Quarter
Name of Reporting Officer	Name of Reporting Officer	Name of Reporting Officer	Name of Reporting Officer	Name of Reporting Officer	Name of Reporting Officer
Contact details of the reporting officer:	Email	Telephone	Telephone	Telephone	Telephone
Column I	Column II	Column III	Column IV	Column V	Column VI
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)
					Comments