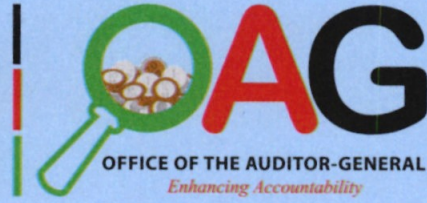



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY: OF	LEADER OF MAJORITY PARTY HOW DWEN BAYAJ MP
CLERK-AT THE-TABLE:	J. LEMERELLE

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR GENERAL

ON

**RANGWE TECHNICAL AND
VOCATIONAL COLLEGE**

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



RANGWE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
PSC	Public Service Commission
TVET	Technical and Vocational Education and Training
PC	Performance Contracting

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. 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&Business
- iv. Building
- v. Electrical
- vi. Hospitality

(b) Principal Activities

The Principal activity of Rangwe TVC 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 TVC is guided by the following core values:

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

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(c) Key Management

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

- 1) Board of Governors
- 2) Management Team

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Ezekiel Omollo
2.	Deputy Principal (Administration)	Mr. Sylivester Omondi
3.	Deputy Principal(Academics)	Mr. Dan Akula
4.	Registrar	Mr. Beally Ogallo Onyango
5.	Dean of students	Ms. Eunice Nyamaganda
6.	Head of Finance	Mr. Jeremiah Ochieng

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

- Audit and risk committee activities
- Finance and operations committee activities
- Academic committee activities

The College had three oversight Committee as can be seen in the table below



Name of the Committee	Members
Finance Infrastructure & Resource Mobilization Committee	<ol style="list-style-type: none"> 1. Mr. Elphas Omondi - Chairperson 2. Dr Simon Ukokhe Egesa - Member 3. Mr Handson Nyaberi Gichana / Mr.John Wamae -P. S Representative 4. Mr. Ezekiel Omollo - Secretary
Education Training and Research	<ol style="list-style-type: none"> 1. Dr. Simon Ukokhe Egesa -Chairperson 2. Mr. Evance Asungah -Member 3. Ms. Cynthia Ochuodho -Member 4. Mr. Handson Nyaberi Gichana/ Mr.John Wamae -P. S Representative 5. Mr. Ezekiel Omollo - Secretary




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Audit Committee	1. Mr. Evance Asungah 2. Ms. Cynthia Ochuodho 3. Mr. John Magare	-Chairperson Member Secretary
------------------------	--	-------------------------------------

- f) **Entity Headquarters**
Rangwe Technical and Vocational College
P.O. Box 396 – 40300
6km off Kendu Bay- Homabay road at Kodhoch Junction
HOMA BAY,
KENYA.
- g) **Entity Contacts**
Telephone: 0718035475
E-mail: rangwetechnical@gmail.com
- h) **Entity Bankers**
Kenya Commercial Bank
P.O. Box
Bank street Homabay town.
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




3. The Board of Governors

No.	Member/ Director	Details
1.		<p>Prof. BENSON ATENG Chairperson Key area of speciality- Holds a PhD, M.A and BED (First class honours) in Economics. Prof. Ateng was born 15th Dec 1949. 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. Prof. 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>Name: Handson Nyaberi Gichana PS Representative Date of Birth: 20-12-1977 Academic qualifications: Master of Education (Educational Administration) Bachelor of Education (B.Ed) Working experience: 25 years Teacher (Gusii Institute of Technology) Technical accreditation & Quality Assurance Officer (Ministry of Education) Director Vocational and Technical Education (Ministry of Education) Regional Director TVET (Migori & Homabay counties)</p>



<p>3.</p>		<p>Dr. SIMON UKOKHE EGESA Independent member Key area of speciality- Human Resource Management Member of the board since February 2023. He was born on 22nd April 1980. He holds a PhD in HRM, Master of science in HRM, BCOM (HRM option), Currently he is the Head of HRM at United Millers Ltd. He has a wealth of experience spanning over 17 years as Human Resource Practitioner. He is a full member of IHRM with practicing certificate</p>
<p>4.</p>		<p>CPA ASUGAH N. EVANS Independent member Key area of speciality – Finance Member of the Board since February 2023. Mr Asugah was born on 28th June 1984. Currently on private consultancy on Finance. He has 16 years of experience in financial accountancy issues. Previously he worked as an accountant with the National Museums of Kenya for 12 years from 2007 to 2019. He holds a Degree in Bachelor of Commerce from Kisii University.</p>
<p>5.</p>		<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>

6.		<p>ENG. ELPHAS ODIWUOR OMONDI Independent member Key area of speciality – Civil Engineering/Project management. Member of the Board since 2019. Eng. Elphas was born in 1982. He works at B360 Inc. /USAID as Projects Quality Control Engineer. He has 18 years of experience. Previously he worked in different organizations in different capacities. He holds BSc. Civil Engineering from JKUAT and Master’s degree in Project Management from Atlantic International University.</p>
7.		<p>NAME: PETER LUKE OTIENO Independent member D.OB: 10th March 1992 Highest Academic Qualification: Bachelor’s degree in Social Work & Community Development Area of Specialization: Project Management History of Work: over 8 years in NGO Sector Current Work: Program Coordinator at SOS Children’s Villages Kenya (Specialized in Youth Development and Community Empowerment Programs</p>
8.		<p>MR. EZEKIEL OMOLLO The Principal Key area of speciality – Analytical Chemistry Mr. Ezekiel Omollo was born 6th May 1966. He is the Principal of Rangwe Technical and Secretary to the Board. He has worked for 30 years in Technical Education He holds BEd.Sc, Higher Diploma Analytical Chemistry Dip Ed.Sc.</p>

4. Management Team

No.	Member/ Director	Details
1.		<p>Mr. Ezekiel Omollo BEd. Sc, Higher Diploma Analytical Chemistry Dip Ed.Sc. The Principal</p>
2.		<p>Mr. Sylvester Omondi Onyango Higher Diploma in Mechanical Engineering (Automotive option) Diploma in Technical Education Teaching experience 24 years Deputy Principal (Administration)</p>
3.		<p>Dan Oduor Akula Born on 13/11/1972. Bachelor of Education (BEd Science) Teaching experience 24 years Teacher: Got Osimbo Secondary School HOD Science/Mathematics:Got Osimbo Secondary School Trainer:Bondo Technical Training Institute Dean of Students:Bondo Technical Training Institute Deputy Principal Administration:Bondo Technical Training Institute Deputy Principal (Academics)</p>

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4.		<p>Mr. Baely Onyango Ogallo Diploma in Technical Education (Automotive Option). Ordinary Diploma in Mechanical Engineering. (Automotive Option) Teaching experience 16 years The Registrar</p>
5.		<p>Madam Grace Eunice Nyamaganda Bachelor of Technology in Mechanical Engineering (Production Option) Diploma in Mechanical Engineering (Automotive Option) Diploma in Technical Education Teaching experience 16 years The Dean of Students</p>

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5 Chairman's Statement

It is my humble privilege to present to our stakeholders the Annual Reports and Financial Statements of Rangwe TVC for the financial year ended 30th June, 2025. This report gives a true reflection of the performance of Rangwe TVC over the period, 1st July 2024 to 30th June 2025. The report highlights key activities Rangwe TVC carried out during the year. It also illustrates the successes and challenges the institution encountered over the period.

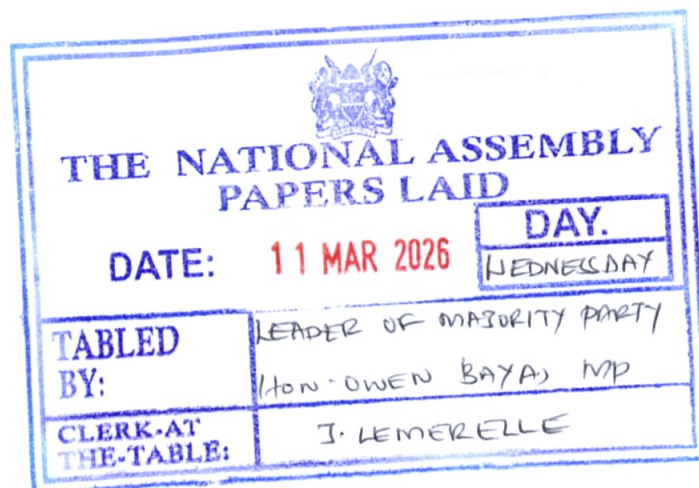
Notably, the Rangwe TVC managed to construct one storey six classroom complex which is at 91.4% complete and one block six doors latrine. Due to aggressive outreach the college experienced an increase in student population as was observed in increase in fee collection from the previous **Ksh 44,884,395** to **Ksh 53,797,325** the institution intends to maintain this trajectory by intensifying outreach programs and also launching market driven courses that will enable our graduates to remain relevant in the market.

Despite the significant successes over the period, the Rangwe TVC continued to face challenges including insufficient funding, inadequate infrastructure and student population. To improve its financial position, the Rangwe TVC has embarked on aggressive marketing.

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

Thank you.

Prof. Benson Ateng'
CHAIRMAN BOG OF RANGWE TVC.



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6. Report of the Principal

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30th June, 2025. This is the sixth time the Rangwe TVC is preparing its financial statements. This has been a year of new challenges but also a year when the Rangwe TVC achieved significant milestones.

Human Resource Matters

On human resource matters, the Rangwe TVC has a total workforce of 55.

In the interest of employee development, the Rangwe TVC has continued to facilitate both teaching and no-teaching staff to go for conferences, workshops and trainings.

Security

To enhance security, the Rangwe TVC out sourced Modern Sky Security firm.

Education Funding

Increasingly, Rangwe TVC is over straining financially due to failure of the government to remit funds in time. While the government has continued to be the major source of funding, from September 2023, the Government adopted a new system of funding where students are classified into different bands as function of their economic base. Due to the delays and reduction on funding, it is vital that we strategize through planning to initiate income generating activities to help raise additional funds.

Training.

During this duration the college complied with the Ministry's directive to not only implement fully the CBET curriculum but also to roll out Modularized training system.

Financial Performance Review

In the financial year 2024/2025, the College started the financial year with a cash balance of Kshs. 7,187,660 and received Kshs. 4,347,252 from the Government as recurrent income and Capitation. We managed to collect Kshs. 49,450,073 from A-I-A. In total the college had Kshs 60,984,985 at its disposal. This enabled us to achieve several milestones including buying pieces of furniture, Computers, water pump, Construction of one storey six classroom complex, and trainees' one block six doors latrine.

Thank you


Mr. Ezekiel Omollo
PRINCIPAL



RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the PFM Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

The Rangwe TVC has Four (4) Key Result areas and 4 objectives within the current Strategic Plan for the 2023 - 2027. These strategic pillars are as follows:

1. Academic Excellence
2. Financial sustainability
3. Institutional Capacity
4. Research, Innovation and Technology

The Rangwe TVC develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2024/2025 period for its 4 strategic key result areas, as indicated in the table below

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	To produce quality and innovative graduates	Training monitored and evaluated	Monitor and evaluate training,	Improved exam pass rate Carried out staff needs assessment for all departments thereby evaluating the effectiveness of training during the year.
Financial Sustainability	To improve financial sustainability	Number of students sponsored	Lobby for Students Sponsorship Programmes	The College lobbied for sponsorship of some students by SHOFCO and DREAM Girl NGOS as well as different CDFs
Institutional Capacity	To engage, train and retain quality and	Policies developed and implemented	Develop and implement policies on	Human Resource Policy, Academic Policy and Internal

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	competent Human Resource		Human Resource	Quality Assurance Policy developed and implemented
Research, Innovation and Technology	To Strengthen Research, Innovation and Outreach	Number of Outreach programmes implemented	Develop and implement outreach programs	-Participation of students in TVET fair -Research Projects and Proposals developed.

Link between Key Result Areas with Performance Contracting

To ensure appropriate linkages between implantation of Strategic Plan and PC, the college annually develops Annual Work Plan which guide in the implementing activities for a particular financial year. The college also ensures that PC targets are picked from Annual Work Plan and implemented during the year.

8. Corporate Governance Statement

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

I 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 TVC has a total of 8 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 be 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 as 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.

II Composition, Board Meetings, and Conflict of Interest

The Board brings together Members from different professional backgrounds with diverse skills, competencies and complied 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.

III 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.

VI 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 Rangwe TVC in this regard, the responsibilities of the Board include:

1. Determining the Rangwe TVC mission, vision, purpose and core values;
2. Reviewing, evaluating and approving, on a regular basis, long-term plans for the Rangwe TVC;
3. Reviewing, evaluating and approving the Rangwe TVC budget and financial forecasts;
4. Reviewing, evaluating and approving major resource allocations and capital investments;
5. Reviewing, evaluating and approving the operating and financial results of the College
6. Ensuring effective, accurate, timely and transparent disclosure of relevant information on the Rangwe TVC operations and performance;
7. Ensuring that effective processes and systems of risk management and internal controls are in place;
8. Enhancing the Rangwe TVC public image and ensuring engagement with stakeholders through effective communication;
9. Monitoring compliance with the Constitution, all applicable laws, regulations and standard; and

Reviewing, monitoring and ensuring that the Rangwe TVC is effectively and consistently delivering on its mandate.

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V Board's Key achievements during the FY 2024/2025

1. Approved and continually monitored the implementation of the College's Annual Operating Procurement Plans and Budget;
2. Signed and implemented the College's Performance Contract with The Ministry of Education;
3. Approved Reviewed Academic Policy, Human Resource Policy Risk Management, Asset Management Policy and streamlined Strategic Plan to be in line with BETSA Pillars.
4. Participated in recruitment of Five Public Service trainers.

VI Board Membership and Attendance

The Board normally holds Full Board and Committee meetings. The Board had a total of Three Committees. The Board held a total of 6 Full Board meetings and 11 Committee meetings. Sufficient quorum was obtained and sustained during all the meetings, with each Board member registering over 99% attendance. In the year under review the attendance of the meetings was as per the table below:

Summary of Board meetings and attendance 2024/2025 FY

INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE								
S/N o.								TOTAL
	Board Members							
		09/07/2024	23/09/2024	09/10/2024	13/11/2024	11/01/2025	11/04/2025	
1	Eng. Elphas O. Omondi	√	√	√	√	√	√	6
2	Dr Simon Ukokhe Egesa	√	√	√	√	√	√	6
3	Mr Ezekiel Omollo	√	√	√	√	√	√	6
4	Mr.Peter Luke	√	√	√	√	√	√	6
5	Mr.John Wamae	√	√	√	√	√		5
6	Mr Handson Nyaberi Gichana						√	1
EDUCATION RESEARCH AND TRAINING COMMITTEE								
		11/07/2024	26/09/2024	14/11/2024	10/01/2025	10/04/2025		
1	Eng. Elphas O. Omondi	√	√	√	√	√		5
2	MS.Cynthia A. Ochuodho	√	√	√	√	√		5
3	Mr. Evance Asugah	√	√	√	√	√		5
4	Dr Simon Ukokhe Egesa	√	√	√	√	√		5
5	Mr.Ezekiel omollo	√	√	√	√	√		5
6	Mr.John Wamae	√	√	√	√	√		5
7	Mr Handson Nyaberi Gichana					√		1
FULL BOARD								
		12/07/2024	27/09/2024	11/10/2024	13/11/2024	14/01/2025	14/04/2025	
1	Prof. Benson Ateng	√	√	√	√	√	√	6
2	Eng. Elphas O. Omondi	√	√	√	√	√	√	6

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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3	Dr.Simon Egesa	√	√	√	√	√	√	6
4	CPA. Evance Asugah	√	√	√	√	√	√	6
5	Ezekiel omollo	√	√	√	√	√	√	6
6	MS.Cynthia A. Ochuodho	√	√	√	√	√	√	6
7	Mr Peter Luke	√	√	√	√	√	√	6
8	Mr John Wamae	√	√	√	√	√		5
9	Mr Handson Nyaberi Gichana						√	1
CHAIRMAN HONORARIA								
1	Prof. Benson Ateng						Ksh 5,000 monthly	11

VII Board Induction and Capacity Building

The current Board members were inducted into office in February, 2023 where officers from Directorate of Technical Education provided the new members with an effective induction program to familiarize them with their duties and responsibilities as Board members. The Board was adequately inducted and trained on matters corporate governance, Finance and Audit, Procurement, Human Resource, Ethics and Integrity matters.

VIII 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

IX Corruption Prevention

The Rangwe TVC has a zero tolerance on corruption guided by Corruption Prevention Procedures and Mitigation Plan.

X 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 were minimized. The College's Risk Management Policy, Procedures and Registers were implemented.

9. Management Discussion and Analysis

General Statistics

I Student Enrolment

Rangwe TVC had a student population of 1048 students this was due to improved infrastructure and proper marketing.

II Employee Statistics

a) Employee Distribution

The Rangwe TVC has a total staff population of 55 comprising of 17 Teaching staff employed by the PSC, 29 BOG Teaching staff and 9 support staff.

b) Employee Cost

The Rangwe TVC wage bill as at 30th June, 2025 was Ksh 4,373,930. This has steadily increased with BOG teaching staff and non-teaching staff accounting for 76% and 24% each on average.

III Key Project that the college is implementing

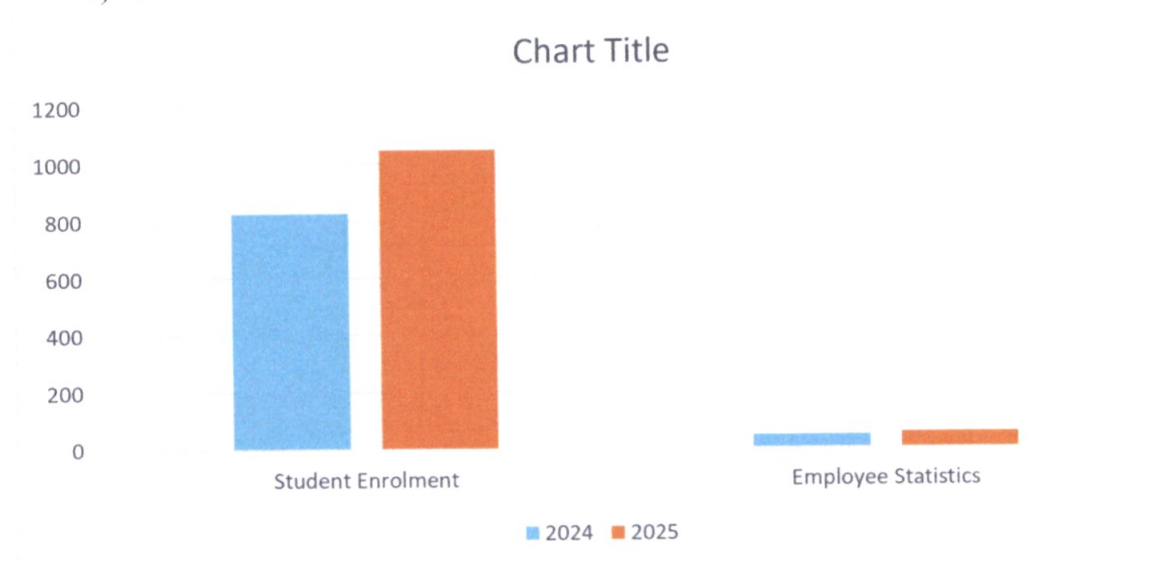
Water Harvesting and Construction of Workshop sheds were key projects that the College undertook in the last financial year.

VI Compliance with Statutory Requirements

The Rangwe TVC complied fully with all statutory deductions. The following statutory deductions SHA, NSSF and Housing Levy were all remitted.

V 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.



10. Environmental and Sustainability Reporting Statement

The Rangwe TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/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

No.	Nature of Reform	Description	Impact
1.	Promoted effective, efficient, and flexible Teaching and Learning	The Rangwe TVC has: a) Trained academic staff/students on remote learning processes, b) Reviewed academic staff workloads to be commensurate with resources available, c) Reviewed rules on teaching/examinations to make them effective,	Effective teaching, efficient utilization of resources
2.	Reforms in Financial Management for Sustainability	The College has adopted realistic and economical ways in allocating and spending its financial resources by implementing the following activities: a) Enhanced fee collection through regular reminders to students and sponsors, and promote adherence to Fee Payment Policy b) Undertook vigorous marketing of the College. c) Streamlined procurement of goods and services to ensure efficiency and value for money	Ability to meet the financial obligations with regards to payroll, and operation costs
3.	Enhancing environmental Sustainability	The College enhanced environmental sustainability through many approaches including: a) Enhanced environmental hygiene in offices and compound. b) Enhanced energy management by using clean energy. c) Conserved and supplied clean and portable water in most parts of the College.	Improved people's health, livelihoods and lives (Photos of tree planting)

Environmental performance

Tree Planting

During the year, the Rangwe TVC planted about 4,800 trees within and outside the College as can be seen in the sampled photos below,



Sewerage and waste water disposal system at the institution;

The Rangwe TVC 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 Rangwe TVC 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 to go for conferences, workshops and trainings whenever possible to improve on their skills.

The Rangwe TVC 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 organization should outline its efforts to:

a) Responsible competition practice.

Rangwe TVC ensures responsible competition with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by undertaking the following practices;

Ethical procurement practices: Ethical procurement practices are acceptable norms that Rangwe TVC has adopted flawless process which sets out step-by-step procedures related to the notice and advertisement of tenders, leaving little choice as to when, where, and how to advertise procurement events.

Adequate segregation of duties: Different employees in institution are responsible for specific duties and responsibilities.

Establishment of operational guidelines: In order to achieve the value for money in public spending, the institution has established well laid down operational guidelines in all of the operations being undertaken in and outside the institution.

Preparation of reports for all goods and services received: The College employed a Procurement Officer who deals with preparation of reports of all the goods and services received as well as documentation of the receipt of all purchased items enabling the institution to ensure that all goods procured have been received as per the set agreements and account for budget spending.

Risk Management in the Institution: Effective risk management practices have been adopted which involve the assessment and identification of risks in all departments of the institution.

Encouraging a range of suppliers to bid: Encouraging a range of suppliers to bid to provide goods and services to the institution to ensure that reliable suppliers who meet the required criteria are selected.

Provision of same and uniform information to all bidders: Provision of same and uniform information to bidders via standard tender documents to ensure transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

Consistency in treating and interacting with potential suppliers: For effective procurement practices Rangwe TVC maintained a consistency treatment and interaction with potential suppliers during suppliers' registration or pre-qualification.

Approval and award of contracts: Approval and award of Procurement related contracts are done by the Principal which ensures morality and accountability among all suppliers.

Preference and reservation scheme: The institution has set thirty Percent (30%) in its annual procurement plan under preference and reservation scheme for the disadvantage groups to promote fair competition.

a) Responsible Supply chain and supplier relations

Rangwe TVC maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices as follows;

Centralization of functions: Fully centralization functions, operations within the institution provides the greatest control over public spending and improves relations with the business community by providing a single source of information for stakeholders.

Inspection of all goods and services provided: Goods, materials and services delivered are inspected in order to check for defects as well as conformation to the set specifications and standards.

Maintenance of Documentation for Multiple award: Creation and Maintenance of documents that supports the basis for tenders that involve multiple awards is crucial as contractual evidence in addressing any grievances, thereafter, enables scrutiny of decisions taken and demonstrates the application of the guiding processes.

Maintenance of security and confidentiality of information: Security and confidentiality of competitive information and documentation are usually respected.

Provision of same and uniform information to all clients: Provision of same and uniform information to bidders ensures transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

a) Responsible marketing and advertisement

Efforts to maintain ethical marketing practices.

Members of the institution are committed to the highest ethical standards in furtherance of its mission of teaching, research and training. Our policies, procedures, and standards provide guidance for application of the ethical values stated below in our daily work as staff of the institution.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Integrity: All staff conducts themselves with integrity in dealings with and on behalf of the College.

Excellence: All staff diligently strive for excellence towards achieving the College objectives.

Accountability: All staff are accountable as individuals and as members of this institution for ethical conduct and for compliance with applicable laws and College policies and directives.

Respect: All staff respect the rights and dignity of others

b) Product stewardship

Rangwe TVC has ensured the following consumer rights and interest

- i) Safeguarded Provision of contractual information during identification of suppliers
- ii) Reasonable notification to suppliers, students and other stakeholders

Corporate Social Responsibility / Community Engagements

Rangwe TVC Corporate Social Responsibility (CSR) programs reflect the College commitment to operate in an environmentally sustainable and socially responsible manner. The programs support the College strategic vision and reassure that its activities are carried out ethically, sustainably and for the public good. The College aim to make a significant contribution to the communities and society through research, education and a wide range of activities undertaken by staff and students.

In the FY 2024/2025, the following Corporate Social Responsibilities were undertaken:

- Rangwe TVC partnered with MoH to conduct health outreach services in the surrounding Market and offered Health Talk and HIV prevention services to community members.
- Maintaining roads to access the college.

5. Report of the Board of Governors

The Board members have a report to submit because the college was audited by the Kenya National Audit team and audit Report has been received.

Principal activities

The principal activity of Rangwe TVC continues to be provision of quality technical education

Results

The results of the entity 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 vi to viii .

Auditors

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

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date:



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

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

The Council members are responsible for the preparation and presentation of the *Rangwe TVC* financial statements, which give a true and fair view of the state of affairs of the *Rangwe TVC* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Rangwe TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal has assessed the *Rangwe TVC* ability to continue as a going concern Nothing has come to the attention of the Council members to indicate that the *Rangwe TVC* will not remain a going concern for at least the next twelve months from the date of this statement.

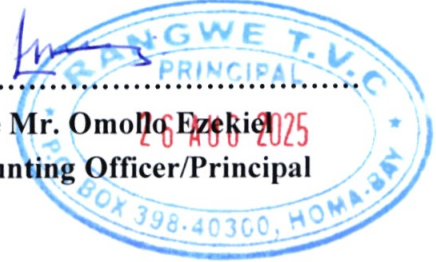
RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

The *Rangwe TVC* financial statements were approved by the Board on 26/08/2025 and signed on its behalf by:



.....
Name Prof Benson Ateng
Chairperson of the Board/Council



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, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Rangwe Technical and Vocational College set out on pages 1 to 54, which comprise of the statement of financial

Report of the Auditor-General on Rangwe Technical and Vocational College for the year ended 30 June, 2025

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Cash and Cash Equivalents

The statement of financial position, as disclosed in Note 16, reflected Kshs.1,351,613.25 as cash and cash equivalents, which included bank balances of Kshs.1,329,801.25. However, an audit review of the respective cashbook and bank reconciliation statement revealed a balance of Kshs.1,217,018.75, resulting in an unexplained variance of Kshs.112,782.50. Further, the College's cashbook presented for audit review lacked evidence of delegation of duties and therefore it could not be confirmed who had prepared or reviewed the document.

In the circumstance, the accuracy of the Kshs.1,351,613.25 reported as the cash and cash equivalent balance could not be confirmed.

2. Unsupported Land Ownership Documents

The statement of financial position, as disclosed in Note 19 to the financial statements, reflects property, plant and equipment with a net book value of Kshs.204,625,110, which includes land measuring approximately 2.56 hectares or 6.5 acres on which the College is situated, valued at Kshs.4,225,000. However, similar to the previous year's audit finding, the ownership of the land could not be confirmed, as the relevant ownership documents, such as the title deed or lease agreement, were not provided for audit verification.

In the circumstances, the ownership, rights, and existence of the land valued at Kshs.4,225,000 could not be confirmed.

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position, as disclosed in Note 17 to the financial statements, reflects a balance of Kshs.37,691,349 under receivables from exchange transactions,

Report of the Auditor-General on Rangwe Technical and Vocational College for the year ended 30 June, 2025

which includes student fee debtors. A review of the supporting records revealed that Kshs.10,544,120 student debtors had been outstanding for more than three (3) years. However, management did not maintain a receivables ledger showing opening balances, billings for the year, adjustments, and collections to reconcile to the reported closing balance. Further, comparison with the prior year's figure of Kshs.31,935,272 indicates an increase of Kshs.5,756,077, suggesting a rising trend in uncollected debts. In addition, no evidence of follow-up actions, recovery plans, or debt management strategies was provided for audit verification.

In the circumstances, the accuracy, completeness, and recoverability of the reported student fee debtors could not be ascertained.

4. Unsupported Revaluation Reserves

The statement of changes in net assets reflects Kshs.237,200,789 as total net assets and liabilities, which includes revaluation reserves amounting to Kshs.152,304,980. However, no documentary evidence was provided to support the reported revaluation reserve figure. Further, an audit review of the revaluation report availed for audit indicated a total revaluation amount of Kshs.203,100,126, resulting in an unexplained variance of Kshs.50,795,146 when compared to the revaluation reserve balance disclosed in the financial statements.

In the circumstances, the accuracy, validity, and existence of the reported revaluation reserves amounting to Kshs.152,304,980 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 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 a final revenue budget and actual on comparable basis of Kshs.69,762,778 and Kshs.48,041,248, resulting in an underfunding of Kshs.21,721,530 or 31% of the budget. Similarly, the College recurrent expenditure and capital expenditure amounted to Kshs.35,424,281 and Kshs.12,978,967 respectively totaling Kshs.48,403,248 implying full utilization of the received revenue.

In the circumstances, the under-funding may have impacted negatively on service delivery to the public.

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.

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the College in 2024/2025 revealed that the following ten (10) issues remained unresolved:

S/No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Receivables from Exchange transactions
2	2023/2024	Undisclosed Property, Plant and Equipment
3	2023/2024	Land Buildings without Ownership Documents and Value
4	2023/2024	Assets Donated by the Ministry of Education
5	2023/2024	Budgetary Control and Performance
6	2023/2024	Non-Compliance with law on Ethnic Diversity in Staffing
7	2023/2024	County Governor Representative in the Board of Management
8	2023/2024	Weaknesses in the Management of Fixed Asset
9	2023/2024	Lack of Internal Audit Function and Audit Committee
10	2023/2024	Non-Establishment of Human Resource Department

My opinion is not modified in respect of these matters.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxviii, which comprises the Key Entity Information and Management, The Board of Governors, Management Team, Chairperson's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governors/ Council's Responsibilities. The Other Information does not include the financial statements and my auditor's 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Composition of the Board of Governors

A review of the governance structure of the College and as reflected in the prior year's audit report revealed that the composition of the board of governors did not include a representative of the County Governor of Homa Bay, contrary to the provisions of Section 1(2)(c) of the Second Schedule of the Technical and Vocational Education and Training (TVET) Act, 2013, which requires that the membership of the Board of Governors includes a representative of the County Governor of the county in which the institution is located. Further, the audit revealed that the College's Board of Governors comprised eight (8) serving members, out of which only one (1) was of the female gender. This was contrary to Section 2 of the Second Schedule of the TVET Act, 2013, which requires that appointments to the Board of Governors take into account ethnic and gender balance, and promote the inclusion of persons with disabilities, minorities, and marginalized groups, while ensuring balanced competencies among members.

In the circumstances, the College's Management was in breach of the law.

2. Non-Compliance with Law on Ethnic Composition

The statement of financial performance, as disclosed under Note 11 to the financial statements, reflects employee costs amounting to Kshs.4,373,930. However, a review of employee records maintained by management revealed that the College had a total of 54 employees out of which 46 or 85 % were from the dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Establishment of Human Resource Department

A review of the governance structure and as reported in the previous year's report revealed that the College had not established a functional human resource Department to oversee human resource management activities. Instead, human resource functions such as recruitment, staff welfare, and records management were being handled by the institution's accountant. This arrangement creates a potential conflict of interest, as the officer responsible for financial management is also involved in personnel matters, compromising segregation of duties and independence in decision-making.

In the circumstances, the objectivity, fairness, and effectiveness of human resource management processes could not be confirmed.

2. Lack of Integrated Information Management System

An audit review of the College's information technology systems established that the institution did not utilize an Enterprise Resource Planning (ERP) system or any other integrated automated software to support its key operations. Instead, the College relied entirely on manual processes and excel spreadsheets for managing admissions, finance, examinations, procurement, and human resource functions. Further, the audit revealed that the College lacked a centralized database for student records, financial information, and academic performance, resulting in fragmented and inconsistent data management. Due to the heavy dependence on manual processes, delays were experienced in data retrieval and report generation. In addition, the absence of automated controls increased

the risk of loss, duplication, or unauthorized alteration of records. The review also revealed that workflow processes across departments were inefficient, largely because they were not supported by integrated systems that would ordinarily streamline operations and enhance accuracy.

In the circumstances, reliance on manual and non-integrated systems exposes the College to operational inefficiencies, weak internal controls, and a heightened risk of errors and fraud.

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 Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 December, 2025

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

14 Statement of Financial Performance for the year ended 30 June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-Exchange transactions			
Transfers from other National Government entities	6	4,347,252	500,000
		4,347,252	500,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	48,137,341	43,878,296
Sale of goods	8	543,232	505,099
Other income	9	769,500	1,000
Revenue from Exchange transactions		49,450,073	44,384,395
Total Revenue		53,797,325	44,884,395
Expenses			
Use of goods and services	10	33,197,861	19,509,613
Employee costs	11	4,373,930	3,734,233
Board Expenses	12	1,620,200	1,358,916
Depreciation and amortization expense	13	18,543,766	1,565,754.00
Repairs and maintenance	14	1,880,600	1,414,182
Contracted Services	15	133,400	00
Total Expenses		59,749,757	27,582,698
Net deficit for the year		-5,952,432	17,301,697

(The notes set out on pages 8 to 40 form an integral part of the Annual Financial Statements).

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

Bar

.....
Chairman of Board

Date

[Signature]

.....
Finance Officer

ICPAK No *27089*

Date

26/8/25

[Signature]

.....
Principal

Date



RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

15 Statement of Financial Position as at 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	1,351,613	7,187,660
Current portion of receivables from exchange transactions	17 (a)	37,691,349	31,935,272
Inventories	18	283,785	
Total Current Assets		39,326,747	39,122,932
Non-Current Assets			
Property, plant, and equipment	19	204,625,110	53,222,851
Total Non-Current Assets		204,625,110	53,222,851
Total Assets (A)		243,951,857	92,345,784
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	6,687,068	1,433,543
Refundable deposits from customers	21	64,000.00	64,000
Total Liabilities (B)		6,751,068	1,497,543
Net Assets(A-B)		237,200,789	90,848,241
Represented by:			
Revaluation Reserves		152,304,980	00
Accumulated Surplus		29,704,029	35,656,461
Capital Fund		55,191,780	55,191,780
Total Net Assets and Liabilities		237,200,789	90,848,241

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



Chairman of Board



Finance Officer



Principal

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

ICPAK No 27759

Date

Date 22/8/25

Date

16 Statement of Changes in Net Asset for the year ended 30 June 2025

Description	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2023		18,354,764	55,191,780	73,546,544
Total comprehensive income		17,301,697		17,301,697
At June 30, 2024		35,656,461	55,191,780	90,848,241
At July 1, 2024		35,656,461	55,191,780	90,848,241
Revaluation gain	152,304,980	00		152,304,980
Total comprehensive income		-5,952,432		-5,952,431.73
At June 30, 2025	152,304,980	29,704,029	55,191,780	237,200,789.27

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.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

17 Statement of Cash Flows for the year ended 30 June 2025

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		24,120,964	500,000
Rendering of services- fees from students		22,607,553	32,697,009
Sale of goods		543,232.00	505,099
Other income		769,500.00	1,000
Total Receipts		48,041,249	33,703,108
Payments			
Employees Cost		4,358,200	3,720,493
Use of goods and services		26,645,381	20,582,882
Board allowance		1,620,200	1,358,916
Repair, Maintenance and improvement		1,897,600	1,609,882.00
Contracted Services		133,400	00
Production units		769,500	00
Total Payments		35,424,281	27,272,173
Net Cash Flows from operating activities	23	12,616,968	6,430,935
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(17,641,045)	(811,360)
Net cash flows used in investing activities			(811,360)
Cash flows from financing activities			
Repayment of borrowings		(924,752)	(200,000)
Increase in deposits		112,782	70,000
Net cash flows used in financing activities			(130,000)
Net Increase/(Decrease) in Cash and Cash equivalents		(5,836,047)	5,489,575
Cash and Cash equivalents at 1 JULY	16	7,187,660	1,698,085
Cash and Cash equivalents at 30 JUNE	16	1,351,613	7,187,660

The cash flow statement is prepared using the direct method.
The Financial Statements set out on pages 1 to 7 were signed by:

.....
Chairman of Board

.....
Finance Officer
ICPAK No 27054

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Principal


RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Date

Date

26/6/25

Date

18 Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	C=(a+b)	d	E=(c-d)	F=d/c*100
Transfers from other govt entities and govt grants	0	(00)	0	4,347,253	(4,347,252)	0%
Rendering of services- fees from students	39,077,348	30,685,430	69,762,778.00	42,381,264	27,381,515	61%
Other income	00		00	1,312,732	(1,312,732)	0%
Total Income	39,077,348	30,685,430	69,762,778.00	48,041,249	26,068,783	69%
Expenses						
Compensation of employees	8,010,000	-594,000	7,416,000.00	4,358,200.00	3,057,800	59%
Use of goods and services	26,867,348	31,579,430	58,446,778	27,548,281	10,344,497	73%
Remuneration of the Board	2,700,000	-800,000	1,900,000	1,632,200.00	267,800	86%
Repair, Maintenance and improvement	1,500,000	500,000	2,000,000	1,885,600.00	114,400	94%
Total Expenditure	39,077,348	30,685,430	69,762,778	35,424,281	34,338,497	72%
Capital Expenditure	00	00	00	18,453,014	(18,453,014)	
Surplus	00	00	00	(5,836,046)	15,885,483	

BUDGET EXPLANATORY NOTES

Explanation of differences between budget and actual amounts

- 1) Expected income target was not received because out of ksh 30,000 govt capitation the college received ksh 17,100.
- 2) Under absorption of Personal Emolument was due to the fact that the College did not manage to employ all the staff as per the TVET Teaching and Non-Teaching staff establishment because of lack of liquid cash.
- 3) Under absorption of use of goods and services was due to shortage of fund- we had pending bills of ksh 5,895,100.

19 Notes to the Financial Statements

1. General Information

Rangwe TVC is established by The TVET 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 financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies.

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

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

3. Adoption of New and Revised Standards

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

There are no new standards in the year ended 30th June 2025

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. 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	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> 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	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

Rangwe Technical did not early-adopt any new or amended standards in year 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 12th July 2024.

The annual budget is prepared on the accrual basis, all planned costs and income are presented in a single statement to determine the needs of the College

As a result of the adoption of the accrual basis for budgeting purposes, there are no major timing differences to include in the reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes

Current income tax

The Institution is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-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.

Fixed assets have been depreciated on reducing balance method to write off the costs of the assets over their useful lives at the following rates:

Land	NIL
Building	2.5%
Plant and Equipment	12.5%
Furniture and Fittings	12.5%
Motor Vehicle	25%

The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

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) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. The College maintains:

- i) Capital Investment Fund: Relates to cost of the building that was constructed by the Mentor College through Government initiative.
- ii) Accumulated Surplus: This relates to surplus/deficit accrued by the College

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The 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.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) 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.

The College does not have any Service concession arrangements.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Rangwe TVC* 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.

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.

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	499,828	500,000
Capitation Grant	3,847,425	00
Total Government Grants and Subsidies	4,347,253	500,000

7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	8,121,403	00
Activity Fees	2,571,000	00
Administration cost	7,696,799	2,870,960
Local Transport & Travelling	1,642,400	00
Practical	1,187,000	00
Electricity, Water & Conservancy	1,353,800	00
Repair, Maintenance & Improvement	3,422,500	00
Personal Emolument	6,919,191	1,445,520
Student ID	66,400	43,600
Student Organization	195,000	262,250
Medical fee	68,000	254,155
Attachment	381,001	430,746
Internet (Computer fee)	576,000	36,100
KNEC	6,335,270	4,814,608
TVETA fee	167,300	57,500
Development	1,368,000	698,900
Registration fee	265,800	166,900
Accrued fee	5,756,077	31,935,272
KUCCPS	44,400	861,784
Total Revenue from The Rendering of Services	48,137,341	43,878,295

8. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding fees	200,100	203,750
Cafeteria sales	343,132	301,349
Total Revenue from Sale of Goods	543,232	505,099

Other income amounting to Ksh. 543,232 relates to cafeteria sales and Boarding fees. This collection will offset the related expenses.

9. Miscellaneous Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Income from Production Unit	769,500	1,000
Total other income	769,500	1,000

The 1000 in the previous year was obtained from tender document sales, however in the year 24/25 the hospitality department hosted a function sponsored by the County Women Rep where 769,500 was realised as a gross income.

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10. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Administration cost	5,186,678	4,917,744
Accrued Administrative cost 2023/2024	00	10,500
Local Transport & Travelling	3,963,950	2,923,605
Tuition (S.E.S)	3,137,099	2,187,352
Accrued Tuition 2022/2023	0.00	-789,719
Accrued Tuition 2024/2025	650,150	0
Examination	4,832,290	3,288,040
Activity	2,152,117	1,595,415
Accrued Activity 2022/2023	00	-84,400
Practical	3,999,404	2,507,387
Accrued Practical 2024/2025	71,600	0
Electricity, Water & Conservancy	702,014	896,875
Accrued Development 2024/2025	5,173,350	-125,000
Internet	305,565	72,039
Student ID	71,850	70,800
Accrued Student ID 2022/2023	00	-39,300
Accrued Student ID	00	20,270
Student Organization	240,850	86,825
Attachment	543,844	344,900
Accrued Attachment 2023/2024	00	30,100
Medical	83,410.00	44,550
Kitchen	247,890	505,850
Accrued Kitchen 2022/2023	00	-147,070
Accrued Kitchen 2023/2024	00	51,350
Security	576,000	432,000
TVETA	443,800	141,000
KUCCPS	46,500	568,500
Prod Unit	769,500	00
Total good and services	33,197,861	19,509,613

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11. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	4,289,780	3,720,492
Accrued Salaries and wages for FY 2022/2023	00	-54,680
Salaries and wages Accrued	84,150	68,420
Employee Costs	4,373,930	3,734,232

12. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Other Allowances	1,347,200	1,097,524
Other Board Expenses	273,000	261,392
Total	1,620,200	1,358,916

13. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	18,543,766	1,565,754
Total depreciation and amortization	18,543,766	1,565,754

14. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Repairs and Maintenance	1,880,600	1,609,882
Accrued Repair and Maintenance 2022/2023	00	-212,700
Accrued Repair and Maintenance	00	17,000
Total Repairs and Maintenance	1,880,600	1,414,182

15. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Abno Software	133,400	00
Total contracted services	133,400	00

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16. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,329,802	7,127,110
Cash in Hand	21,812	60,550
Total Cash and Cash Equivalents	1,351,613	7,187,660

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

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1265847177	1,329,802	7,127,110
Sub- Total			
Cash in Hand		21,812	60,550
Grand Total		1,351,613	7,187,660

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	37,691,349	31,935,272
Total Current Receivables	37,691,349	31,935,272

17 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Less than 1 year	5,756,077	15%	11,181,287	35%
Between 1-2 years	11,181,287	30%	10,209,865	32%
Between 2-3 years	10,209,865	27%	6,028,270	19%
Over 3 years	10,544,120	28%	4,515,850	14%
Total	37,691,349	100%	31,935,272	100%

18. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Stationaries	85,685	00
Electrical	113,470	00
Building stores	49,920	00
Plumbing	26,220	00
Hospitality	6,560	00
Cosmetology stores	1,930	00
Total Inventories at lower of Cost and Net Realizable Value	283,785	00

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Detailed disclosure on inventories

	2024-2025	2023-2024
	Kshs	Kshs
Opening balance	249,075	00
Additional Inventory in the year	524,590	00
Inventory expensed in the year	489,880	00
Closing balance	283,785	00

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19. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	0%	2.5%	25%	12.5%		12.5%		
Cost		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	00	55,191,780	00	1,891,750	00	635,770	854,180	58,573,480
Additions	00	00	00	326,980	00	00	484,380	811,360
At 30th June 2024	00	55,191,780	00	2,218,730	00	00	1,338,560	59,384,840
Depreciation								
Depreciation 2023/2024	00	(1,278,875)	(00)	(233,639)	(00)	(53,240)	(00)	(1,565,754)
Accumulated Depreciation as at 30th June 2024	00	(5,315,637)	(00)	(583,259)	(00)	(263,093)	(00)	(6,161,989)
Net book values as at 30th June 2024	00	49,876,143	00	1,635,471	00	372,677	1,338,560	53,222,851
Transfer	00	1,338,560	00	1,797,295	00	00	(1,338,560)	00
Asset Revaluation	4,225,000	20,785,297	2,850,000	2,154,434	00	122,290,249	00	152,304,980
Closing Net Book Amount	4,225,000	72,000,000	2,850,000	5,587,200	00	122,662,926	00	207,325,126
Additions							15,843,750	15,843,750
At 30th June 2025								
Cost or Valuation	4,225,000	72,000,000	2,850,000	5,587,200	00	122,662,926	00	223,168,876

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	0%	2.5%	25%	12.5%		12.5%		
Cost		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Accumulated depreciation as at 30th June 2025	00	1,800,000	712,500	698,400	00	15,332,866	00	18,543,766
Net Book Amount as at 30th June 2025	4,225,000	70,200,000	2,137,500	4,888,800	00	107,330,060	15,843,750	204,625,110

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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 Adomag Valuers and Associates-Valuers & Estate Agents, professional valuers on 22nd Oct 2024. These amounts were adopted in the financial statements on 30th June 2025.

17 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	4,225,000.00	00	4,225,000
Buildings	72,000,000	1,800,000	70,200,000
Plant And Machinery	122,662,926	15,332,866	107,330,060
Office Equipment, Furniture, And Fittings	5,587,200.00	698,400	4,888,800
Motor vehicle	2,850,000	712,500	2,137,500
Capital WIP	15,843,750	00	15,843,750
Total	223,168,876	18,543,766	204,625,110

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20. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	5,895,100		129,220	
Fees paid in advance	424,033		311,150	
Salary deductions	84,150		68,420	
Other Payables	283,785		924,752	
Total Trade and Other Payables	6,687,068		1,433,542	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	6,687,068	100%	1,433,542	100%
Total (to tie to totals above)	6,687,068	100%	1,433,542	100%

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21. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Caution money	64,000.00		64,000	
Total Deposits	64,000.00		64,000	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Over 3 years	64,000.00	100%	64,000	100%
Total (to tie to totals deposits above)	64,000.00	100%	64,000	100%

22. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	424,033.00		311,150	
Total	424,033.00		311,150	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Over 3 years	424,033	100%	311,150	100%
Total	424,033	100%	311,150	100%

23. Cash generated from operations.

	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	-5,952,431.73	17,301,697
Adjusted for:		
Depreciation	18,543,766.00	1,565,754
Financial income	(112,782.05)	
Financial cost	924,752.00	130,000
Working Capital Adjustments		
Increase in Receivables	(5,756,076.82)	(11,181,287)
Decrease/Increase in Payables	4,969,741.00	(1,385,229)
Net Cash Flow from Operating Activities	12,616,967.95	6,430,935

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

24. 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 counter party will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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

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

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Description	Total amount Kshs	Fully performing Kshs
At 30 June 2024		
Receivables from exchange transactions	31,935,272	31,935,272
Bank balances	7,187,660	7,187,660
Total	39,122,932	39,122,932
At 30 June 2025		
Receivables from exchange transactions	37,691,349.02	37,691,349.02
Bank balances	1,351,613.25	1,351,613.25
Total	39,042,962.27	39,042,962.27

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

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 uncollectable amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	68,420	337,583		406,003
Current Portion of Borrowings			924,752	924,752
Total	68,420	337,583	924,752	1,330,755
At 30 June 2025				
Trade Payables	707,818	5,979,250	64,000	6,751,068
Total	707,818	5,979,250	64,000	6,751,068

(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.

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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.

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	152,304,980	00
Retained Earnings	35,656,461	35,656,461
Capital Reserve	55,191,780	55,191,780
Total Funds	243,153,221	90,848,241

25. 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 Governors;

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The transactions and balances with related parties during the year are as

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	24,120,963	500,000
b) Key Management Compensation	00	00
Board Allowance	1,620,200	1,358,916
Total	25,741,163	1,858,916

26. Segment Information

The college does not operate in different regions.

The college does not have anything to report on pages 51 to 54

- *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 to the college account.*
- *The college does not have any climate relevant and disaster expenditure in the financial year under review*

20 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)
Unsupported Receivables from Exchange Transactions	The statement of financial position, and as disclosed on note 16 t the financial statements, reflects current portion of receivables from exchange transactions balance of Kshs.31,935,272 which relates to student fee debtors. However, Management of the college did not have comprehensive strategy for recovery of outstanding debts.	Fees reminder memos were posted to the students notice boards and their individual WhatsApp walls.	Unresolved	30/6/2026
Property, Plant and Equipment	The statement of financial position, and as disclosed			

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	<p>in Note 17 to the financial statements, reflects property, plant and equipment balance of Kshs.53,222,851. However, the following unsatisfactory matters were noted:</p> <p>i) Undisclosed property, plant and Equipment</p> <p>The statement of financial position reflects property, plant and equipment balance of Kshs.53,222,851 which, as disclosed in Note 17 to the financial statements, includes land and buildings balance of Kshs.51,884,291. However, as previously reported, examination of the asset register provided for audit and physical verification of the listed assets indicated that the college owed land of undetermined value that was not included in the</p>	<p>The college valued their property and valuation results were updated in the financial year 24/25.</p>	<p>Resolved.</p>	<p>Resolved.</p>
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	<p>assets register or disclosed in the financial statements.</p> <p>ii) Land Buildings Without Ownership Documents and Value</p> <p>Audit verification revealed that the college did not have a title deed for the land and ownership documents for the buildings and other assets. It was also not clear how the property, plant and equipment values were arrived at. The costs were not supported. There was no clear depreciation policy to guide on determination of the amortization and depreciation expense.</p> <p>iii) Assets Donated by the Ministry of Education</p> <p>Review accounting records revealed that the</p>	<p>The college did valuation and the values were posted in the financial statement 24/25 financial year.</p> <p>The college did valuation and the values were posted in the financial statement 24/25 financial year</p>	<p>Resolved.</p> <p>Resolved.</p>	<p>Resolved.</p> <p>Resolved.</p>
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	<p>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 verification. Consequently, the assets values have been excluded in the property plant and equipment balance of Kshs.53,222,851.</p> <p>In the circumstances the accuracy and completeness of property, plant and equipment balance of Kshs.53,222,851.</p>			
<p>Budgetary Control and Performance</p>	<p>The statement comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.28,547,680 and kshs.12,949,123 respectively, resulting in</p>	<p>The state department did not fund the institution fully out of the expected ksh 30,000 only 13,000 was delivered to the institution.</p>		

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	<p>underfunding of Kshs.15,598,557 or 55% of the budget. Similarly, the college incurred actual expenditure of Kshs.26,016,944 out of the actual revenue of Kshs.28,547,680, resulting in underutilization of kshs.2,380,736 or 8%.</p> <p>The underfunding and underutilization affected the planned activities and may have impacted negatively on learning in the College.</p>		Unresolved.	30/6/2026
Non – Compliance with Law on Ethnic Diversity in staffing	<p>Review of employee records revealed that the College had a total of 30 employees out of which 28</p>	<p>During the last recruitment, an attempt was made to comply by</p>	Unresolved	30/6/2026

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	<p>or 93% were from the same ethnic community. This was contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.</p>	<p>hiring personnel from other ethnic communities.</p>		
<p>County Government Representative in the Board of Management</p>	<p>Review of the Board Governors records revealed that the composition of the Board did not include a representative of the County Governor of Homa Bay County where the college is located. This was contrary to section 1(2)(c) of the second schedule of the Technical and Vocational Education</p>	<p>The Cabinet Secretary did a letter to the Governor County Government of Homabay at the inception of the board but they have not seconded any officer to the board.</p>	<p>Unresolved</p>	<p>30/6/26</p>

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	and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located.			
Weakness in the Management of Fixed Assets	The audit of fixed assets revealed that management did not maintain a complete fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, value, asset codes, custodian and location among other details in respect of the assets the College owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of	Valuation done and all related costs taken care of and factored in the 24/25 financial year report	Resolved	Resolved

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	<p>accounts. Further, there was no reliable asset management system in place and asset inventory not done on regular basis, atleast on annual basis and most of the assets were not tagged and assets movement's register was not appropriately kept. Thus, such assets may easily be stolen. In addition, no assets manager was appointed or asset management committee put in place to effectively manage the College's assets.</p>			
<p>Lack of Internal Audit Function and Audit Committee</p>	<p>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 9National Government) Regulations, 2015 which provides that an accounting officer shall ensure that the</p>	<p>The college has outsourced internal auditor from the mentoring institution</p>	<p>Resolved</p>	<p>Resolved</p>

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	<p>organizational structure of the internal audit unit facilitates the entry to accomplish its internal audit responsibilities. Further, the College did not have an audit committee contrary to regulations, 2015 which states that each national government entity shall establish an audit committee or share audit committee with another entity.</p>			
<p>Non – Establishment of Human Resource Department</p>	<p>The College has not established a human resource department. Furthermore, the institution does not have an approved human resource policy manual that defines terms and conditions of recruitment, promotions of casuals and</p>	<p>The college intends to hire a human resource officer to institute the department</p>	<p>Not resolved</p>	<p>30/12/2025</p>

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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 time-frame with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

.....

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	NONE					
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	NONE						
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....

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

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
NONE					
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NONE									

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
NONE						