

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

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CHRISTINE NDIRITU

**THE AUDITOR-GENERAL**

**ON**

**RACHUONYO TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

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





STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION  
AND TRAINING  
RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE  
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TEL: +254 792108724 | EMAIL: [rachuonyotvc.rtv@gmail.com](mailto:rachuonyotvc.rtv@gmail.com)

17/04/2025

**AUDITOR GENERAL.**

Dear Sir/Madam

**SUBMISSION OF AMENDED ANNUAL REPORT**

In accordance with the public financial management act 2012 which states that:

83. *Accounting officer to prepare monthly reports for the national government entity*

(1) *An Accounting officer for a national government entity shall prepare monthly reports for each month of the financial year in respect of the entity.*

(2) *In preparing monthly reports for the national government entity, the accounting officer shall ensure that: -*

- a) *contains information on the financial and non-financial performance of the entity, and*
- b) *is in a form that complies with the standards prescribed and published by the accounting standards board from time to time.*

(3) *not later than 10days after the end month, the accounting officer shall submit the monthly report to the cabinet secretary responsible for the entity and the national treasury.*

We hereby submit our Amended Statements for the financial year 2022/2023 as per MOE/VTT/11/11Vol.1

Thank you

Nelly Okoyo

Principal/secretary BOG





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**RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE**

**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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**1. A. Acronyms & Glossary of Terms**

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

**Rachuonyo Technical and Vocational College**  
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**B. Definition of Key Terms**

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

## **II. Key Entity Information and Management**

### **(a) Background information**

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

The college is domiciled in Kenya, Homa - Bay county, Rachuonyo South Sub - County. The institute is under the Ministry of Education.

The institution offers the following courses;

- Electrical and electronics Engineering
- Building Technology
- Agriculture
- Hairdressing and Beauty Therapy
- Liberal Studies
- Business courses
- Fashion Design and Garment Making

### **(b) Principal Activities**

The principal mandate of Rachuonyo Technical and Vocational college is to offer training in Technical and Business course.

#### **Our Vision**

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

#### **Our Mission**

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

#### **Our Strategic Objectives**

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

### **(c) Key Management**

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

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

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**(d) Fiduciary Management**

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

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

**(e) Fiduciary Oversight Arrangements**

For the FY 2022/2023 Rachuonyo TVC Board operated with two committees, Education, Research and Training and Finance, Infrastructure and Resource Mobilization Committee. Two members did not take acknowledge their appointment and process for replacement is ongoing.

**Entity Information and Management (Continued)**

**(f) Entity Headquarters**

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

**(g) Entity Contacts**

Telephone: (254) 0792108724  
E-mail: [rachuonyotvc.rtv@gmail.com](mailto:rachuonyotvc.rtv@gmail.com)  
Website: [www.go.ke](http://www.go.ke)

**(h) Entity Bankers**

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

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



**(i) Independent Auditors**



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

**(j) Principal Legal Adviser**

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

**I. THE BOARD OF GOVERNORS**

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




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

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		<ul style="list-style-type: none"> <li>❖ <b>2009 to 2010</b> - Community Health Education Trainer PATH Kenya at APHIA II Western</li> <li>❖ <b>2008</b> Maseno University - Assistant Lecturer School of Public Health</li> <li>❖ <b>2007-2010</b> Part time: lecturer Great Lakes University dept. Of Nursing</li> <li>❖ <b>2001-2008</b> lecturer: Kisumu Polytechnic Institutional Management dept.</li>   <li>❖ <b>2007-</b> Project Coordinator: Truvada Socio- Behavioral and Community (Sbc) Preparedness</li> <li>❖ <b>JAN 2007-TO- March: Consultant:</b> Designing And Implementation Of An Integrated Fish Consumption And Promotion Campaign In Puntland Somalia,PROJECT: CARE SOMALIA/FAO</li> <li>❖ <b>2001-to-date:</b> Technical Assistant on Child Health, Nutrition and HIV Organization: Economic Development</li>   <li>❖ <b>2004-</b> Counselor,MCH Infant Feeding Options Kisumu District Hospital</li>   <li>❖ <b>December 2005</b> -German Technical cooperation : Reproductive Health Trainer</li>   <li>❖ <b>2002:-</b>CDC Kisumu Curriculum testing on Breast feeding issues for HIV infected mothers</li> <li>❖ <b>2000-2001:</b> CARE Kenya –Early childhood Development Health and Nutrition project</li> </ul>
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5.		<p><b>PERIS MOREKA</b> holds a <b>Bachelor of Business Management – Accounting option from Maasai Mara University (2016-2017)</b></p> <p>Peris is a member of professional bodies which includes;</p> <ul style="list-style-type: none"> <li>❖ Institute of Certified Public Accountants of Kenya (ICPAK)-2018</li> <li>❖ Membership No: 23248.</li> <li>❖ KASNEB, Certified Public Accountant – Finalist(2013-2015)</li> <li>❖ YEAR 2012 Certificate in Computer Systems Application Packages.,(2012)</li> <li>❖ KASNEB (2000)</li> </ul> <p><a href="mailto:perismoreka@gmail.com">perismoreka@gmail.com</a></p>
6.		<p><b>TOM OTIENO OLANG'O</b> is a Deputy Director Vocational and Technical Education currently deployed as a Regional Director - Vocational and Technical Education for Kisii/Nyamira/Migori/Homa Bay counties. He is a holder of a Master's degree in Curriculum Studies and has served in the public service for the last 28 years.</p>
7.		<p><b>Nelly Okoyo</b>  <b>Principal/Secretary to Board</b>          Date of birth: 17<sup>th</sup> April 1967</p> <p>Nelly Okoyo is a holder of MSc in Aquatic Science, Maseno University. She has over 20 years' experience in the TVET sector.</p>

**Rachuonyo Technical and Vocational College**  
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**II. MANAGEMENT TEAM**

No.	Member/ Director	Details
1.		<p><b>Nelly Okoyo</b>  Principal/Secretary to Board  Date of birth: 17<sup>th</sup> April 1967  Nelly Okoyo is a holder of MSc in Aquatic Science, Maseno University, Senior Management Course, Kenya School of Government.  She has over 20 years' experience in the TVET sector.</p>
2.		<p><b>Dr. Abiero Philip Omondi, Deputy Principal</b>  Has PhD in Strategic Management (JOOUST), Masters of Arts in Project Planning and Management (UON), B.Sc. in Agricultural Education and Extension (Egerton), Diploma in Educational Management (KEMI), Diploma in Business management (KIM) and Certificate in Senior Management Course (KSG).  Dr. Philip Abiero is an experienced trainer with 12 years as a trainer in High school and 7 years as a trainer in TVET institution. He also has 3 years' experience as a Trainer of Trainer (TOT) in Competency Based Education and Training under TVET CDACC.  In addition, he possesses 8 years of experience as a <b>part time lecturer</b> at Jaramogi Oginga Odinga University of Science and Technology teaching Diploma, undergraduate and Post-graduate students from various social and cultural backgrounds.</p>
3.		<p><b>Victor Ochieng Odera, Ag. Registrar</b>  Date of Birth: 12/08/1987</p>

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

**Rachuonyo Technical and Vocational College**  
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**Chairman's Statement**

Rachuonyo Technical and Vocational College is a newly established TVET institution that has been in operation under the mentor institution Ramogi Institute of Advance Technology (RIAT) until 30<sup>th</sup> November 2022 when it was officially handed over to Rachuonyo TVC Board of Governors. The college was registered by TVETA on 22/10/2021.

The Board of Governors was subsequently appointed by the then Cabinet Secretary for Education, the Late Professor George Magoha and held its inaugural meeting on 1<sup>st</sup> February 2022. The Board of Governors was later inducted in July 2022.

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

Several achievements has been made including provision of stable three phase power supply, reliable water supply and a growth in student enrolment which stood at 256 at the end of the financial year. The institution has been faced by challenges notably financial resources. There were also challenges experienced due to unfenced compound, no training machinery, equipment and insufficient furniture. The institution had a big challenge in staff numbers, the PSC had managed to post only the Principal, Deputy Principal and one training staff which was inadequate in terms of curriculum delivery.

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

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

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

Thank you



Paul Kokello  
**CHAIRMAN BOG**

**Rachuonyo Technical and Vocational College**  
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### **Report of the Principal**

Rachuonyo Technical and Vocational College opened its doors during the financial year 2021/2022. The 1st Principal was posted to the institution on 23rd December 2021, with the institution being under the mentorship of Ramogi Institute of Advanced Technology (RIAT). The College is comprised of a single block housing both administrative offices as well as tuition rooms. The institution lacked equipment and machinery, water, electricity, perimeter fence and registration of the College with TVETA had also not been done.

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

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

The student population at the close of the year stood at 256 with a teaching staff of 26 with only 3 being Public Service Commission employees.

The management under the direction of the BoG has already documented various operating procedures to guide its operations one core procedure being the teaching procedure. The management continues to develop more operating procedures. The Board has already approved the Academic policy.

### **Operational Results**

At the close of the financial year, the College had received Kes 2,000,000 grant from GoK and GoK capitation of Kes 1,064,000.

The College therefore had total income of Kes. **8,491,207 against** total expenditure of Kes. **7,074,134** giving a surplus of Kes. **1,417,073**. The student population as mentioned earlier closed at 256 trainees. Fee payment remains a challenge for most students. However, the College is now fully registered with HELB and all the trainees with fee challenges have been encouraged and assisted to apply for HELB funding. Since the College is already registered with KUCCPS, it is hoped that GoK capitation will be consistent to assist the college in its operations.

Our asset base currently stands at Kes 55,728,780, Management hopes to fence and secure the College compound as well as construct outdoor latrines. Proposals and requests will continue to be written to treasury through parent ministry for the supply of equipment and machinery, we thus look forward to more infrastructural improvements in FY 2023/2024.

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**Achievements**

Rachuonyo TVC presented the first set of candidates to Kenya National Examinations Council (KNEC) in November 2022 and managed a mean score of 84.6%. The student enrolment increased from 114 at the beginning of the year to 256 at close of the year.

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

**Governance**

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

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

**Conclusion**

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

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

Thank You



Nelly Okoyo

**PRINCIPAL/ SECRETARY BOG**



**Rachuonyo Technical and Vocational College**  
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**Statement of Performance against Predetermined Objectives**

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

Rachuonyo Technical and Vocational College has 4 strategic pillars and objectives for the FY 2022-2023. These strategic pillars are as follows:

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

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

Pillar 3: To enhance research and innovation capacities

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

Rachuonyo Technical and Vocational College developed its annual work plan based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Rachuonyo Technical and Vocational College has achieved its performance targets set for the FY 2022/23 period for its 4 strategic pillars, as indicated in the diagram below:

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

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

### **Corporate Governance Statement**

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

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

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

#### **General Responsibilities**

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

The statutory functions of the Board include:

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

- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law;
- Administering and managing the property of the institution;
- Developing and implementing Rachuonyo TVC Strategic Plan;
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013;

- Mobilizing resources for the institution;
- Developing and reviewing programmes for training and to make representations thereon to TVETA Board;
- Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of TVET Act 2013;
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board;
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board;
- Making regulations governing organization and conduct and discipline of staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET Board;
- Providing for the welfare of the students and staff of the institution;
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

### **Risk Management and Internal control**

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

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

### **Conflicts of interest**

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

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

**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

**Compliance**

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

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

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal Act, 2015
- IPSAS standards.
- Mwongozo
- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

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

**BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**FULL BOARD**

No	NAME	12 <sup>TH</sup> JULY 2022	22 <sup>ND</sup> SEPT 2022	10 <sup>TH</sup> OCT 2022	10 <sup>TH</sup> JAN 2023	11 <sup>TH</sup> APRIL 2023	24 <sup>TH</sup> JULY 2023
1	Paul Kokello	✓	✓	✓	✓	✓	✓
2	Pamella Odolo	✓	✓	✓	✓	✓	✓
3	Peris Moreka	✓	✓	✓	✓	✓	✓
4	Florence Akumu	✓	✓	✓	✓	✓	✓
5	Jared Owuocha	✓	✓	✓	✓	✓	APPOLOGY
6	John Mwiti	X	X	X	X	X	X
7	Emmy Chepkoech	X	X	X	X	X	X
8	Tom Olango	✓	✓	✓	✓	✓	✓
9	Nelly Okoyo	✓	✓	✓	✓	✓	✓

**Rachuonyo Technical and Vocational College**  
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**FINANCE, INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE**

No	NAME	10 <sup>TH</sup> OCT 2022	9 <sup>TH</sup> JAN 2023	5 <sup>TH</sup> APRIL 2023
1.	Peris Moreka	✓	✓	✓
2.	Jared Owuocha	✓	✓	✓
3.	Tom Olang'o	✓	✓	✓

**EDUCATION, RESEARCH AND TRAINING COMMITTEE**

No	NAME	6 <sup>TH</sup> OCT 2022	14 <sup>TH</sup> DEC 2022	29 <sup>TH</sup> MARCH 2023
1.	Pamela Odolo	✓	✓	✓
2.	Florence Akumu	✓	✓	✓
3.	Tom Olang'o	✓	✓	✓

The Board has approved the Board Charter for effective governance.

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

Chairperson Gross allowance at KES 14,285.7 per sitting

Member Gross allowance at KES 11,428.6 per sitting

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

**III. Management Discussion and Analysis**

The institution was being run by our mentor Ramogi Institute of Advanced Technology and officially handed over to Rachuonyo TVC BOG on 30<sup>th</sup> November 2022 and the accounts signatories changed on 6<sup>th</sup> January 2023.

It can be noted that through the financial year ended 30<sup>th</sup> June 2023 Rachuonyo TVC operated under Mentor institution Ramogi Institute of Advance Technology until 30<sup>th</sup> November when it was officially handed over to Rachuonyo TVC Board of Governors to start operating independently. Therefore, during the first two quarters main sources of operational revenue mainly came from the mentor as the accounts were solely under the institution until handing over. The other sources of income that is Recurrent Grants and Capitation were also acknowledged through mentor institution until the recent batches were receipted through Rachuonyo TVC.

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

### **Compliance with Statutory Requirements**

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

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

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

### **Risk Analysis**

#### **Operational Risks**

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

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

#### **Liquidity Risk**

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

### **Credit Risk**

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

### **Environmental and Sustainability Reporting Statement**

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

#### **Sustainability Strategy and Profile**

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

The institution recognises the importance of sustainable growth and has considered programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating industrial attachment practical training. Programmes have also been planned aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

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

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

#### **Environmental performance**

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

**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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

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

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

Rachuonyo TVC will always:

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

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

### **Employee welfare**

We recognize the value of human relationships and put people at the heart of our institution. We seek to treat all staff fairly and consistently, to create a workplace environment that is open, transparent, and trusted. Aligned with this approach, all members of the RachuonyoTVC are required to conduct

their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

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

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

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

#### **Market place practices-**

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

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

**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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

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

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

The organisation should outline its efforts to:

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

### **Corporate Social Responsibility / Community Engagements**

As noted in our mission statement, Rachuonyo TVC recognizes an expectation to have a positive impact on our community, and we promote this expectation through services offered to the community. The community is allowed to access clean water from the institution.

### **Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30<sup>th</sup> 2023 which show the state of Rachuonyo TVC affairs.

### **Principal activities**

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

### **Results**

The results of Rachuonyo TVC for the year ended June 30<sup>th</sup> 2023 are set out on page 1

### **Board of Governors**

The members of the Board who served during the year are shown page v

### **Auditors**

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

By Order of the Board



**Nelly Okoyo**  
**Principal /Secretary of the Board**



**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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**Statement of Board of Governors/ Council's Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Rachuonyo Technical TVC, which give a true and fair view of the state of affairs of Rachuonyo TVC at the end of the financial year FY 2022/2023 and the operating results of Rachuonyo TVC for FY 2022/2023. The Board members are also required to ensure that Rachuonyo TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Rachuonyo TVC. The Board members are also responsible for safeguarding the assets of Rachuonyo TVC.

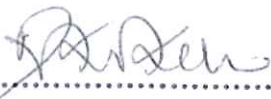
The Board members are responsible for the preparation and presentation of Rachuonyo TVC financial statements, which give a true and fair view of the state of affairs of Rachuonyo TVC for and as at the end of the financial year FY 2022/2023 ended on June 30<sup>th</sup> 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Rachuonyo TVC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Rachuonyo TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act, 2013. The Board members are of the opinion that Rachuonyo TVC financial statements give a true and fair view of the state of Rachuonyo TVC transactions during the financial year ended June 30, 2023, and of Rachuonyo TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Rachuonyo TVC, which have been relied upon in the preparation of Rachuonyo TVC financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

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

  
.....

**Paul Kokello**

**Chairperson of the Board**

  
.....

**Nelly Okoyo**

**Accounting Officer/Principal**



# REPUBLIC OF KENYA

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*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON RACHUONYO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023 - STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING**

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Rachuonyo Technical and Vocational College set out on pages 1 to 20, which comprise of the statement of financial

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*Report of the Auditor-General on Rachuonyo Technical and Vocational College for the year ended 30 June, 2023 - State Department for Technical and Vocational Education and Training*

position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rachuonyo Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with [International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variances in the Financial Statements**

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.935,500 relating to employee costs while the supporting payroll schedule reflects an amount of Kshs.730,500 resulting to unreconciled variance of Kshs.205,000. Further, the statement and as disclosed in Note 8 to the financial statements reflects use of goods and services of Kshs.2,989,674. However, the ledger provided for audit review reflects Kshs.2,541,798 resulting to an unreconciled variance of Kshs.431,833.

In the circumstances, employee costs and use of goods and services of Kshs.935,500 and Kshs.2,989,674 respectively could not be confirmed.

#### **2. Variance in Opening Cash Balance**

The statement of cash flows reflects cash and cash equivalents balance of Kshs.3,336,529 which includes Kshs.1,919,456 as at 1 July, 2022. However, the KCB and Equity bank statements provided for review reflects opening balances of Kshs.672,794 and Kshs.1,239,640 respectively totalling to Kshs.1,912,434 resulting to an unreconciled variance of Kshs.7,022.

In the circumstances, the accuracy and completeness of the cash and cash equivalents opening balance of Kshs.3,336,529 could not be confirmed.

#### **3. Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 17 to the financial statements, reflects receivables from exchange transactions balance of Kshs.5,282,032. Although

Management provided a schedule of arrears and prepayments details, the movement schedule showing the opening balances, additions during the year, receipts and payments made and the closing balances was not provided for audit verification. This was contrary to Section 68(2) of the Public Finance Management Act, 2012 states that an Accounting Officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources are used in a way that is lawful and authorized and shall ensure that the entity keeps financial and accounting records that comply with this Act. Further, measures taken by Management to ensure collection of the outstanding student debt was not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.5,282,032 could not be confirmed.

#### **4. Unsupported Trade Payables**

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables balance of Kshs.3,674,812. However, the payables lacked general ledgers, invoices, goods received notes and respective stock cards to support their existence. This was contrary to Section 68(2) of the Public Finance Management Act, 2012 states that an Accounting Officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources are used in a way that is lawful and authorized and shall ensure that the entity keeps financial and accounting records that comply with this Act. In addition, the management did not provide payables ageing analysis for audit review.

In the circumstances the accuracy and completeness of trade payables balance of Kshs.3,674,812 could not be confirmed.

#### **5. Unsupported Other Income**

The statement of financial performance and Note 6 to the financial statements reflects other income of Kshs.1,154,659. However, these transfers from the mentor institution were not supported with schedules and other relevant records which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act. In the circumstances, the accuracy and completeness of the other income amount of Kshs.1,154.659 could not be confirmed.

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

The statement of financial performance reflects an amount of Kshs.9,554,580 in respect of rendering of services-fees from students and as disclosed in Notes 7 and 17 to the financial statements. However, these fees were not supported with schedules and other relevant records such as receipts, fees registers and bank statements contrary to Section 149(1) the Public Finance Management Act, 2012 which require that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of rendering of services amount of Kshs.9,554,580 could not be confirmed.

## **7. Unsupported Repayment to Mentor Institution**

The statement of financial performance reflects an amount of Kshs.2,345,000 in respect of repayment to mentor institution and as disclosed in Note 15 to the financial statements. However, the nature of the repayment and supporting documents were not provided for audit contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the repayment to mentor institution amount of Kshs.2,345,000 could not be confirmed.

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

## **Emphasis of Matter**

### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.14,522,628 and Kshs.8,491,207 respectively resulting to an under-funding and under-collection of Kshs.7,840,739 or 59% of the budget. Similarly, the College spent Kshs.7,074,134 against a final budget of Kshs.14,522,628 resulting to an under-expenditure of Kshs.7,074,134 or 49% of the budget. Further, review of the statement of comparative budget and actual amounts revealed that the explanatory notes to give the reasons for material differences between the budgeted and actual figures has not been provided as prescribed by the IPSAS 24.14.

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

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Information**

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 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(s) of the matter(s) 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**

### **Lack of Approved Information Technology Security Policy**

Review of the governance structures and work plans revealed that the College did not have an approved IT Policy for governance and management of its ICT resources. Further, there is no ICT Steering Committee in place to assist in the development of ICT Policy Framework to enable the Unit realize long-term ICT strategic goals. This was contrary to Section 6.2 of the IT Governance Standard by the ICT Authority, which requires that all Ministries and Agencies shall establish two ICT Governance Committees namely an IT Strategy Committee and an IT Steering Committee.

In addition, the College lacks an approved Business Continuity Plan and a secondary back up site. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security and safeguarding the ICT assets.

In the circumstances, users may not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

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 Council/Board of Governors Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 Council/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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**14 April, 2025**

**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

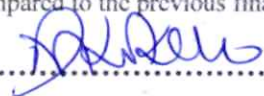
**IV. Statement of Financial Performance for the year ended 30 June 2023**

Description	Notes	2022-2023 Kshs
<b>Revenue from Non-Exchange transactions</b>		
Transfers from other National Government entities	5	3,064,000.00
Other income (From Mentor Institution RIAT)	6	1,154,659.00
<b>Revenue from Exchange transactions</b>		<b>4,218,659.00</b>
Rendering of services- fees from students and student debt	7 & 17	9,554,580.00
<b>Revenue from Exchange transactions</b>		<b>9,554,580.00</b>
<b>Total Revenue</b>		<b>13,773,239.00</b>
<b>Expenses</b>		
Use of goods and services	8	2,989,674.00
Employee costs	9	935,500.00
Board /Council Expenses	10	344,000.00
Depreciation and amortization expense	11	482,828.10
Repairs and maintenance	12	303,960.00
Contracted services(Security)	14	156,000.00
Repayment of Payables	15	2,345,000.00
<b>Total Expenses</b>		<b>7,556,962.10</b>
<b>Other - Gains/(Losses)</b>		
Unrealized gain on fair value of investments		
Impairment loss		-
<b>Accumulated surplus for the year</b>		<b>6,216,276.90</b>
		-

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

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

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

.....  
  
**Chairman of Council/Board**

Date 17/04/2025

.....  
  
**Finance Officer**  
 17 APR 2025  
 Sign:.....  
 Date.....  


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

**Rachuonyo Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**V. Statement of Financial Position as at 30th June 2023**

Description	Notes	2022-2023
		Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	16	3,336,529.00
Current portion of receivables from exchange transactions	17	5,282,032.00
Inventories	18	25,640.00
<b>Non-Current Assets</b>		<b>8,644,201.00</b>
Long term receivables from exchange transactions		-
Investments		-
Property, plant, and equipment	19	55,728,780.00
<b>Total Assets</b>		<b>64,372,981.00</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables from exchange transactions (RIAT-Mentor)	20	3,674,812.00
Deferred income	20	-
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities		-
<b>Total Liabilities</b>		<b>3,674,812.00</b>
<b>Net assets</b>		<b>60,698,169.00</b>
Accumulated Surplus		6,216,276.90
Capital Fund		54,481,892.10
<b>Total Net Assets and Liabilities</b>		<b>60,698,169.00</b>

\*Capital Fund is inclusive of Property-Building and other assets.  
 The Financial Statements set out on pages 1 to 3 were signed by:

.....  
 Chairman of Council/Board      Finance Officer  
 Date 17/04/2025      Date 17 APR 2025



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

**Rachunyo Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**Statement of Changes in Net Asset for the year ended 30 June 2023**

Description	Revaluation reserve	Retained earnings	Capital/ Grants/Fund	Total
<b>At July 1, 2022</b>				
Capital Fund	54,481,892.10	-	-	54,481,892.10
Fair value adjustment on quoted investments	-	-	-	-
Accumulated Surplus	-	6,216,276.90	-	6,216,276.90
Capital/development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to	-	-	-	-
Retained earnings	-	-	-	-
<b>At June 30, 2023</b>	<b>54,481,892.10</b>	<b>6,216,276.90</b>	<b>-</b>	<b>60,698,169.00</b>

**Rachuonyo Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**VI. Statement of Cash Flows for the year ended 30 June 2023**

Description		2022-2023
	Note	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from other government entities/govt. Grants	5	3,064,000.00
Other income (From RIAT-Mentor)	6	1,154,659.00
Rendering of services- fees from students	7	4,272,548.00
<b>Total Receipts</b>		<b>8,491,207.00</b>
<b>Payments</b>		
Use of goods and services	8	2,989,674.00
Compensation of employees	9	935,500.00
Remunerations of directors (Board Members)	10	344,000.00
Repairs and maintenance	12	303,960.00
Contracted Services	14	156,000.00
Finance Costs	13	-
Other payments (Repayment to trade and payables RIAT)	15	2,345,000.00
<b>Total Payments</b>		<b>7,074,134.00</b>
<b>Net Cash Flows from operating activities</b>		<b>1,417,073.00</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets		
<b>Net cash flows used in investing activities</b>		-
<b>Cash flows from financing activities</b>		
Proceeds From Borrowing		-
<b>Net cash flows used in financing activities</b>		-
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>		<b>1,417,073.00</b>
Cash and Cash equivalents at 1 JULY 22		1,919,456.00
<b>Cash and Cash equivalents at 30 JUNE 2023</b>		<b>3,336,529.00</b>

The Financial Statements set out on pages 44 & 45 are signed by:

Chairman of Council/Board

Date

17/04/2025

Finance Officer

Date



Principal

Date



**Rachuonyo Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2023**

**VII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2023**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other govt entities and govt grants	6,140,000.00	-	6,140,000.00	3,064,000.00	3,076,000.00	50%
Rendering of services- fees from students	7,882,628.00	-	7,882,628.00	4,272,548.00	3,610,080.00	54%
Provisions from RIAT-Mentor	-	-	-	1,154,659.00	1,154,659.00	0
Other income (I.G.A)	500,000.00	-	500,000.00	-	-	0%
<b>Total Income</b>	<b>14,522,628.00</b>		<b>14,522,628.00</b>	<b>8,491,207.00</b>	<b>7,840,739.00</b>	<b>59%</b>
<b>Expenses</b>						
Compensation of employees	1,651,580.00	-	1,651,580.00	935,500.00	716,080.00	57%
Use of goods and services	8,512,648.00	-	8,512,648.00	2,989,674.00	5,522,974.00	35%
Repairs and Maintenance	505,600.00	-	505,600.00	303,960.00	201,640.00	60%
Repayment to trade and payables- Debt	2,500,000.00	-	2,500,000.00	2,345,000.00	155,000.00	94%
Development and Contracted Services	752,800.00	-	752,800.00	156,000.00	596,800.00	21%
Remuneration of directors	600,000.00	-	600,000.00	344,000.00	256,000.00	57%
<b>Total Expenditure</b>	<b>14,522,628.00</b>		<b>14,522,628.00</b>	<b>7,074,134.00</b>	<b>7,448,494.00</b>	<b>49%</b>
<b>Surplus For the Period</b>				<b>1,417,073.00</b>		<b>-</b>

**(Budget notes)**

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

## **VIII. Notes to the Financial Statements**

### **1. General Information**

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

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

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

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

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

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

##### **ii) Revenue from exchange transactions**

##### **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.

**iii) 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.

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.

**b) Property, plant and equipment**

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

**Depreciation Policy**

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

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

**c) Inventories**

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

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.

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

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

**d) Provisions**

Provisions are recognized when Rachuonyo TVC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Rachuonyo TVC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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

***Contingent assets***

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

**e) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

Rachuonyo TVC does not have specific reserves currently.

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

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

**g) Employee benefits**

**Retirement benefit plans**

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Rachuonyo TVC does not have employee retirement benefit plan currently.

### **3. Summary of Significant Accounting Policies (Continued)**

#### **h) Related parties**

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

#### **i) Service concession arrangements**

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

#### **j) Cash and cash equivalents**

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

#### **k) Comparative figures**

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

This being first year of Rachuonyo TVC operation, there are no comparative figures

#### **l) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

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

**4. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of Rachuonyo 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. Rachuonyo TVC based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of Rachuonyo TVC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Rachuonyo Technical and Vocational College**  
**Amended Annual Report and Financial Statements for the year ended 30th June 2023**

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

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

Description	2022-2023
	Kshs
<b>Unconditional Grants</b>	
Capitation Grants	1,064,000.00
Operational Grant	2,000,000.00
Other Grants	
	<b>3,064,000.00</b>
<b>Conditional Grants</b>	
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-
Other Organizational Grants	-
<b>Total Government Grants and Subsidies</b>	<b>3,064,000.00</b>

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

Description	2022-2023
	Kshs
Transfer from County	-
Transfer from University	-
Transfer from Institute (Mentor RIAT)	1,154,659.00
<b>Total Transfers</b>	<b>1,154,659.00</b>

**7. Rendering of Services**

Description	2022-2023
	Kshs
Tuition Fees	4,272,548.00
Activity Fees	-
Industrial Attachment Fees	-
Examination Fees	-
Registration Fees	-
Others ( <i>Specify</i> )	-
<b>Total Revenue from The Rendering Of Services</b>	<b>4,272,548.00</b>

**8. Use of Goods and Services**

Description	2022-2023
	Kshs
Tuition	856,320.00
LT&T	777,580.00
Activity	818,456.00
Postage	15,693.00
EWC	293,013.00
Medical	350.00
Attachment	31,500.00
Examination	190,190.00
Other ( <i>Operational costs Bank charges</i> )	6,572.00
<b>Total good and services</b>	<b>2,989,674.00</b>

\* Tuition Expenses decreased since the mentor institution handed over and much of the previous expenses were especially incurred during KNEC exams November 2022 series.

**9. Employee Costs**

Description	2022-2023
	Kshs
Salaries and wages	935,500.00
Employee related costs-contributions to pensions and medical aids	-
Travel, motorcar, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Performance and other bonuses	-
Social contributions	-
<b>Employee Costs</b>	<b>935,500.00</b>

**10. Board/Council Expenses**

Description	2022-2023
	Kshs
Chairman's Honoraria	-
Directors Emoluments	-
Other Allowances	-
Other Board/Council Expenses	344,000.00
<b>Total</b>	<b>344,000.00</b>

### 11. Depreciation and Amortization expense

Description	2022-2023
	Kshs
Property, plant and equipment	482,828.10
Intangible assets	-
Investment property carried at cost	-
<b>Total depreciation and amortization</b>	<b>482,828.10</b>

### 12. Repairs and Maintenance

Description	2022-2023
	Kshs
Property	303,960.00
Investment property – earning rentals	-
Equipment and machinery	-
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
<b>Total Repairs and Maintenance</b>	<b>303,960.00</b>

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

### 13. Finance Costs

Description	2022-2023
	Kshs
Borrowings (Amortized Cost)	-
Finance Leases (Amortized Cost)	-
Unwinding of Discount	-
Interest on Bank Overdrafts	-
Interest on Loans from Commercial Banks	-
Transactional	-
<b>Total Finance Costs</b>	<b>-</b>

**14. Contracted Services (Security)**

Description	2022-2023
	Kshs
Actuarial valuations	-
Investment valuations	-
Property valuations	-
Security services	156,000.00
<b>Total contracted services</b>	<b>156,000.00</b>

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

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

Description	2022-2023
	Kshs
Mentor Institution RIAT	2,345,000.00
<b>Total</b>	<b>2,345,000.00</b>

**16. Cash and Cash Equivalent**

Description	2022-2023
	Kshs
Current Account	3,336,529.00
On - Call Deposits	-
Fixed Deposits Account	-
Staff Car Loan/ Mortgage	-
Others (Specify)	-
<b>Total Cash and Cash Equivalent</b>	<b>3,336,529.00</b>

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

		2022-2023
Financial Institution	Account number	Kshs
<b>a) Current Account</b>		
Kenya Commercial Bank	1290369526	2,511,698.00
Equity Bank	0290261739764	824,831.00
<b>Sub- Total</b>		<b>3,336,529.00</b>
<b>b) Others(Specify)</b>		
Cash in Hand		-
<b>Sub- Total</b>		-
<b>Grand Total</b>		<b>3,336,529.00</b>

**17. Current Receivables from Exchange transactions**

Description	2022-2023
	Kshs
<b>Current Receivables</b>	
Student Debtors	5,282,032.00
Rent Debtors	-
Consultancy Debtors	-
Other Exchange Debtors	-
Less: Impairment Allowance	-
<b>Total Current Receivables</b>	<b>5,282,032.00</b>

**18. Inventories**

Description	2022-2023
	Kshs
Consumable stores	15,485.00
Maintenance stores	-
Health Unit stores	-
Electrical stores	-
Cleaning Materials stores	5,125.00
Catering stores	5,030.00
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>25,640.00</b>

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

**19. Property, Plant and Equipment**

	Buildings	Motor vehicles	Furniture and fittings	Computers	Library	Plant and Equipment	Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 <sup>st</sup> July 2022( <i>beginning of the year</i> )	53,188,200.00	-	2,165,580.00	305,000.00	-	552,828.00	-	56,211,608.00
Additions/Transfers/Adjustments	-	-	-	-	-	-	-	-
Disposals during the period	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2023	53,188,200.00	-	2,165,580.00	305,000.00	-	552,828.00	-	56,211,608.00
Depreciation and impairment	-	-	-	-	-	-	-	-
Depreciation for the period	-	-	270,697.50	101,565.00	-	110,565.60	-	482,828.10
As at 30 <sup>th</sup> June 2023	53,188,200.00	-	1,894,882.50	203,435.00	-	442,262.40	-	55,728,779.90

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

**Valuation**

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

**Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	53,188,200.00	-	53,188,200.00
Plant And Machinery	-	-	
Motor Vehicles including Motorcycles	-	-	
Computers and Related Equipment	305,000.00	-	305,000.00
Office Equipment, Furniture, And Fittings	2,235,580.00	-	2,235,580.00
<b>Total</b>	<b>55,728,780.00</b>	-	<b>55,728,780.00</b>

**20. Trade Payables**

Description	2022-2023
	Kshs
Trade payables (Current portion owed to RIAT)	3,674,812.00
Fees paid in advance	-
Salary deductions	-
Third- Party Payments	-
Other Payables	-
<b>Total Trade and Other Payables</b>	<b>3,674,812.00</b>

**21. Financial Risk Management**

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

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

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**(i) Credit risk**

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

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

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

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Other receivables (Mentor RIAT)				
<b>Total</b>	-	-	-	-
<b>At 30 June 2022</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Other receivables (Mentor RIAT)	-	-	-	-
<b>Total</b>	-	-	-	-

**Liquidity risk management**

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

### **Government of Kenya**

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

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