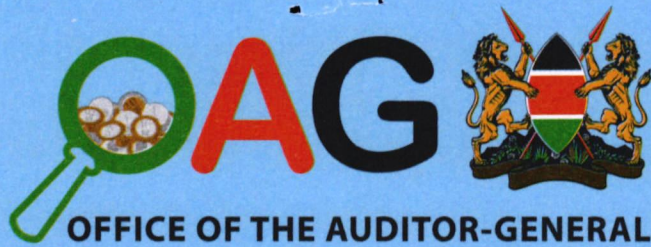


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 JUN 2024

DAY.

THURSDAY

TABLED
BY:

LEADER OF THE
MAJORITY PARTY

CLERK-AT
THE-TABLE:

WILLIS OBIEDO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**LODWAR TECHNICAL AND VOCATIONAL
COLLEGE (LTVC)**

FOR THE YEAR ENDED

30 JUNE, 2024

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LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

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LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

2. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

2. Key Entity Information and Management

(a) Background information

Lodwar TVC is a public TVET institution that was registered under the TVET Act, 2013 Section 20(1) on 14/01/2019 (Registration Number: TVETA/PUBLIC/TVC/0019/2019). The entity is domiciled in Turkana central sub county, Turkana County in Kenya and. Under the Ministry of Education.

(b) Principal Activities

The mandate of the entity is to provide quality technical, vocational and entrepreneurial skills that promote creativity for global challenges. We intend to be a centre of excellence in the provision of quality and relevant technical training.

(c) Key Management

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

No.	Designation	Name
1.	Principal	Coory K. Kipkemboi
2.	Deputy principal Academics	Stafford O. Orina
3.	Registrar (s)	Patrick M. Mwangi
4.	Dean of students	Elphas K. Sang
5.	Finance Officer	Edward E. Eregae

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

- Audit, risk and compliance committee activities
- Finance, Infrastructure and Administration committee activities
- Education, Training and Research committee activities

(e) Entity Headquarters

P.O. Box 20-30500,
Lodwar-Kitale Highway
LODWAR, KENYA.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

(f) Entity Contacts

Telephone: (254) 758867355/ 758867332/ 722920124.

E-mail:

lodwartechncal@gmail.com

Website: info@lodwartvc.ac.ke

(g) Entity Bankers

National Bank of Kenya Lodwar Branch
P.O Box-30500,
Lodwar, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

3.The Board of Governors



LINUS EKAI EVANS

Chairperson: Board Of Director

DOB: 12/08/1976

Masters of Education in Educational Administration and planning Catholic University of East Africa (CUEA), Post Graduate Diploma in Education (PDGE) History and Christian Religious Education (Hist & CRE), Catholic University of East Africa (CUEA), Bachelors of Sacred theology – Urbanian University in Rome, Italy

Tutor at Kibabii University, Lodwar Campus. Chairperson Board of Management (St. Kevins and Katilu Boys Secondary Schools), Member of County Education Board – Turkana County.



EJORE IKAMAR

Chairperson: Finance, Administration and Infrastructure Committee.

DOB: 09/09/1977

Bachelors of Commerce in Management option, Catholic University of East Africa (CUEA), Advanced Diploma in Business management, Catholic University of East Africa (CUEA) Diploma in Business Management, Catholic University of East Africa (CUEA)

Regional Manager Toyota Kenya, Worked as Lodwar Branch Manager -Toyota, Eldoret branch Parts Manager, Parts Supervisor Toyota.



DR. JULIUS KETER

Member of the BoG

DOB: 16/06/1975

PHD in Technology education TVET option at University of Eldoret.

Chairman at department of Technology education at Moi University. Lecturer in the department of Technology Education.



Eng. FELIX NYONGESA
Finance, Administration and Infrastructure Committee Member
DOB: 05/08/1980

Bachelors of Science in Civil Engineering Diploma in Civil Engineering, Eldoret Polytechnic

Senior Inspector Turkana County Government Ministry of Roads and Public works, Site Agent, NOLA Limited-Chwele-Sango road project. KENHA, Roads Inspector (Chavakali/Kapsabet road project)



DHYMPHINE E. ILLIKWEL

CHAIRPERSON AUDIT COMMITTEE

DOB: 05/10/1986

MBA in Accounting option, Mt Kenya University

Project/ Logistics officer at world vision, Director of accounting services at Turkana County Government.



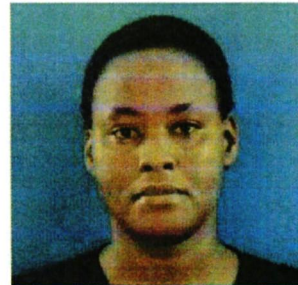
JANET BOSIBORI

Finance & Administration Committee Member

DOB: 09/01/1989

Key qualifications: Bachelors of Science in Surveying technology.

Land Surveyor at Turkana County Government



Eng. ANNE MWALYA

BOG Member

DOB: 19/03/1991

Masters in Civil Engineering Bachelors in Civil Engineering

UNICONSULT Kenya-Assistant site Engineer



COORY K. KIPKEMBOI

Principal/Secretary to the BoG

DOB: 10/09/1974

Masters of Arts in applied linguistics Bachelors of Education

Principal - Lodwar TVC Deputy Principal - Ziwa TTI

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

4. Key Management Team



COORY K. KIPKEMBOI
Principal/ Secretary to the BoG

Masters of Arts in Applied Linguistics.



STAFFORD O. ORINA
Deputy Principal

On-going Masters in Construction Management.
•Bachelors in Education Technology- Building and Construction



PATRICK MWANGI.
Ag. Registrar.

Higher national Diploma in Construction,
Building and Civil Engineering.
Diploma in Technical Education.
Diploma in Civil Engineering.



ELPHAS K. SANG
Ag. Dean of Students.

Higher diploma in Construction (Building and Civil engineering option)



EDWARD E. EREGAE
Finance Officer

On-going Bachelors of Commerce – Finance Option.
Certified Public Accountant of Kenya.
Diploma in Bible & Theology at NHBC

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

5. Chairman's Statement

Lodwar Technical and Vocational College (LTVC) community, stakeholders and general public expect us as a Board of Governors to provide effective institutional management in order to propel the institution to higher competitive levels in technical training and research. To this end, the BoG developed a Strategic Plan to guide its operations. The strategic plan provides the framework for initiatives to be undertaken to orient Lodwar Technical and Vocational College to keep abreast with changing societal needs and technology. This plan focuses on the Vision and Mission of Lodwar Technical and Vocational College and outlines fundamental areas that are strategic for efficient service delivery and takes into cognizance the Ministry's position in TVET sub-sector and government of Kenya Vision of industrialization by the year 2030. The successful implementation of this plan hinges on the belief that key stakeholders including GoK, BOG, parents, community, staff and students of LTVC will play their respective roles effectively. As a Board, we wholly embrace this plan and assure our stakeholders of our unlimited support in its implementation. Being the first Board of Governors to Lodwar TVC, we endeavour to see Processes and Policies needed for Effective and Efficient Quality Assurance and Quality Control established, implemented and maintained in the college. We are calling for continued financial support from the Government as we struggle with the challenges of low enrolment of trainees which has led to lower availability of funds since funding/capitation depends on the number of trainees enrolled, hence lack of a Stable financial position of the college. The institution wishes to thank the Government through the Ministry of Education (M.o.E) and the entire public for their continued support to the college.

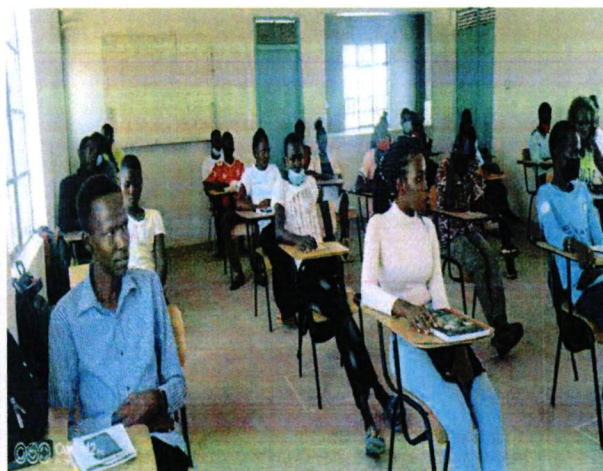
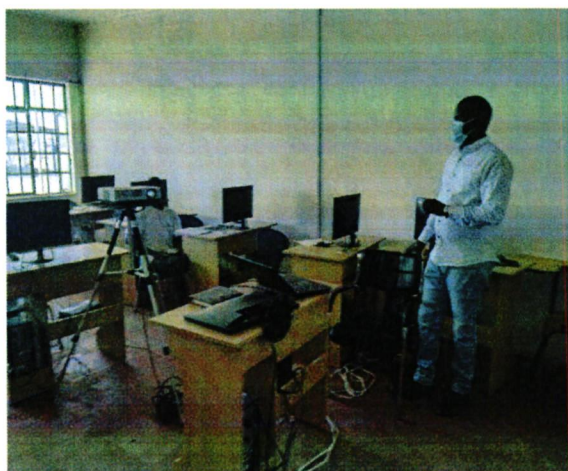
Fr. Linus Ekai Chairman Board of Governors



LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

6. Report of the Principal

Since its inception, Lodwar Technical and Vocational College has made great strides in ensuring its advancement as a middle level institution, starting the training of both young people and adults to acquire skills and technical knowledge that are relevant to technological advancement and industrial growth of our country. We are strategically aligning ourselves to scale the ladder of excellence in technical training owing to interlocking factors. Chief among these are our unique geographical location in the Northern Kenya region that has a high affinity to establish industries which would provide a huge job market for our graduates. These include the construction industry, hospitality industry, and the energy sector as the destination for hundreds of our graduates. The rural – urban setting of the College will enable trainees to study from their homes and thus reducing costs whereas at the same time according the private sector a chance to develop private hostels around the institution to provide affordable accommodation for our trainees. The college has a unique symbiotic relationship with the surrounding community which has been very supportive by donating land for its construction. The high-level discipline among our trainees coupled with the teamwork between the trainers and support staff has ensured harmony and synergy in the college’s learning environment. They require special recognition for their endless dedication in serving the trainee community. This team is qualified in their own area of professional expertise which has put the College in its rightful place to favourably complement others in ensuring the college meets its core mandate. The Board of Governors, on its part, has rendered dedicated service in ensuring the institution achieves excellence in its programmes, in addition to being an important link with the Government of Kenya through the Ministry of Education which has been instrumental in ensuring the College is supported to begin on the right footing. During the year, the College received total Capitation Grants of Kshs.11,754,289 from the Ministry, collected Kshs.14,244,848 from student fees and total expenditure was Kshs.18,013,247. We look forward to continued financial support from the Government as we manage the challenges of newness that involves low enrolment of trainees which has led to low funds since funding/capitation depends on the number of trainees enrolled, hence lack of a Stable financial position of the college. We are facing challenges in relation to insufficient infrastructure, land encroachment, and lean staff. The institution however wishes to thank the Government through the Ministry of Education and the entire public for their continued support to the college.



LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

7. Statement of Performance against Predetermined Objectives

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

Lodwar TVC has three strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY2023- FY2024. These strategic pillars are as follows:

- a) The Economic Pillar: Aims to provide prosperity for all Kenyans by attaining an annual Economic growth rate of 10% and sustain it throughout the vision period. Under this pillar, flagship projects have been identified in key sectors as agriculture, Manufacturing, wholesale and retail, business process outsourcing and financial services.
- b) The Social Pillar: To achieve this, the priority sector identified are Education and Training, Health, water and sanitation, the environment, housing and urbanization, gender, youth, sports and vulnerable groups.
- c) The Political Pillar: The specific areas identified for achievement of this aspiration are Respect for the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

Lodwar TVC develops its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Lodwar TVC achieved its performance targets set for the FY 2023/24 period for its 3 strategic pillars, as indicated in the table below:

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / Issue 1	The Economic Pillar	Providing prosperity to all Kenyans by attaining an annual economic growth rate of 10% and sustain it throughout the vision period. Under this pillar, flagship projects have been identified in key sectors as tourism and agriculture	Setting up of an Institution practical farm/garden	Farming	Gain of skills and knowledge by the trainees
Pillar/ theme / Issue 2	The Social Pillar:	To achieve this, the Prioritizing key sectors such as education and training, Health, water and sanitation, the environment, housing and urbanization, gender, youth, sports and vulnerable groups	Creation of 2 sports playing ground Identifying areas where tree Planting.	Training soccer and athletics Indigenous tree planting	Participated in KATTI games. 30 trees successfully planted
Pillar/theme/ Issue 3	The Political Pillar	Respecting the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.	Creation of a consultative forum with Judicial and electoral political processes.	Hosting of electoral political processes trainings.	1 IEBC Voter Registration training of clerks exercise hosted.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

8. Corporate Governance Statement

During the period 2023/2024 financial year, the college held board meetings and committee meetings both physical and virtually. In all the meetings held the requisite quorum for holding the meetings was met. Seven of the BoG members were appointed on 18/1/2023. One member of Board opted out and has been replaced by another board member on 19th July 2023. Apart from the latest appointment, all other board members underwent an inauguration during which their duties and responsibilities were outlined and communicated to them. They were further taken through induction training courtesy of KATTI rift valley region. It is therefore presumed that the new board member will be inducted within the coming financial year hence provides a start point in the succession plan. It is important that we have continuity in the BoG hence we intend to stagger the exit and re-entry of BoG members. The Board has fairly deliberated and approved a range of allowances and reimbursements for them and other entities in the institution. As at the time of submission of this report, the institution is in the process of enhancing its staff establishment, process and policies establishment and implementation.

9. Management Discussion and Analysis

FINANCIAL PERFORMANCE OVERVIEW

Revenue Analysis FY 2023-2024 Total revenue: KShs 25, 999, 138.00, revenue from Non-Exchange Transactions: Kshs 11,754,289 (45.2% of total revenue).

Revenue from Exchange Transactions: Kshs 14,244,848 (54.8% of total revenue), Rendering of services (student fees): Kshs 14,213,848 (99.8% of exchange revenue). Rental revenue from facilities and equipment: Kshs 31,000 (0.2% of exchange revenue).

YEAR-ON-YEAR COMPARISON:

Total revenue increased by 175.8% (Kshs 16,574,188) from 2022-2023 to 2023-2024.

Non-exchange revenue grew by 220.9% (Kshs 8,092,289), driven by a significant increase in National Government transfers.

Exchange revenue rose by 147.2% (Kshs 8,481,898), primarily due to a 146.7% increase in student fees (Kshs 8,450,898).

Introduction of rental revenue (Kshs 31,000) in 2023-2024, though minimal, indicates a new revenue stream.

KEY OBSERVATIONS:

The substantial revenue growth reflects increased government support and higher student enrolment or fee adjustments. Heavy reliance on student fees (54.8% in 2023-2024, 61.1% in 2022-2023) and government grants (45.2% in 2023-2024, 38.9% in 2022-2023) persists, with limited diversification. The absence of donor grants, public donations, or investment income in both years highlights vulnerability to funding fluctuations.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

EXPENDITURE ANALYSIS 2023-2024 TOTAL EXPENSES: KSHS 18,004,957

Employee Costs: Kshs 7,202,675 (40.0% of total expenses), Use of Goods and Services: Kshs 6,918,529 (38.4% of total expenses), Depreciation and Amortization: Kshs 3,036,063 (16.9% of total expenses), Remuneration of Directors: Kshs 782,900 (4.3% of total expenses), Repairs and Maintenance: Kshs 64,790 (0.4% of total expenses)

ON-YEAR COMPARISON: Total expenses increased by 69.2% (Kshs 7,366,460) from 2022-2023 to 2023-2024. Employee costs rose by 81.5% (Kshs 3,235,515), reflecting possible staff expansion or salary adjustments., Use of goods and services surged by 190.1% (Kshs 4,533,963), indicating higher operational activity. Depreciation and amortization increased by 29.6% (Kshs 694,440), suggesting additional capital investments. Remuneration of directors decreased by 42.0% (Kshs 566,260), reflecting cost control in governance. Repairs and maintenance dropped significantly by 89.1% (Kshs 531,198), potentially indicating deferred maintenance or improved asset efficiency.

KEY OBSERVATIONS:

The sharp rise in employee costs and use of goods and services aligns with increased revenue and operational scale. The significant reduction in repairs and maintenance expenses raises concerns about potential deferred maintenance, which could lead to higher future costs. No finance costs in either year suggest a debt-free operation, enhancing financial stability.

10. Environmental And Sustainability Reporting Statement

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

Sustainability strategy and profile

The top management aims to make reference to sustainable efforts, broad trends in political and macroeconomic sustainability priorities, international best practices and key achievements and failure.

Environmental performance

Lodwar TVC is committed to environmental sustainability. To this end LTVC is in the process of developing an environmental policy to guide the college.

Employee welfare

LTVC is developing policies guiding the hiring process that will take into account the gender ratio, stakeholder engagements and how often they will be improved. Efforts will be made to improve skills and managing careers, appraisal and reward systems. The college is yet to develop a policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

The college has endeavoured to ensure Responsible competition practice through the ways it recruits its staff and procurement of goods and services. It has been the practice of the college to advertise through bulletins, social media, website and notice boards all its vacancies and procurement requirements. In all cases, committees and panels have been set up to ensure fairness.

Corporate Social Responsibility / Community Engagements

Corporate social responsibility is an important mandate of the college to the community, having knowledge of how CSR can transform our college. It's unfortunate that our budget cannot support CSR at the moment bearing in mind that funding of TVET colleges is tied on the number of trainees the college has. It's worth noting that our college is still young with low enrolment of trainees by

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

the virtue of it being located in ASAL area where tapping of trainees is such a herculean task. Consequently, due to low number of trainees, it has resulted to a more constrained budget which has made the college to put CSR on hold.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2024 which show the state of the affairs of Lodwar TVC

Principal activities

The principal activity/mission/ mandate of the entity is to provide quality technical, vocational and entrepreneurial skills that promote creativity for global challenges. We intend to be a centre of excellence in the provision of quality and relevant technical training.

Results

The results of the entity for the year ended June 30th 2024 are set out on page 1 to 7

Board of Governors

The members of the Board who served during the year are shown on page v. During the year one member was appointed with effect from 19th July 2023 to replace one who had resigned in the financial year 2022/2023.

Auditors

The Auditor General is responsible for the statutory audit of Lodwar Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 and no Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Lodwar Technical and Vocational College for the period ended June 30th June, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....

Secretary of the Board

Lodwar

Date: 08/05/2024



12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Lodwar Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The board members are of the opinion that the Lodwar Technical and Vocational College's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30th June 2024, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

Nothing has come to the attention of the Board members to indicate that Lodwar Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

The financial statements were approved by the Board on 08/5/2025 2025 and signed on its behalf by:

F. S. Evans
.....
Name 8/5/2025 EKAI LINUS
Chairperson of the Board

[Signature]
.....
Name
Accounting Officer/Principal



REPUBLIC OF KENYA

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



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

Enhancing Accountability

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

PREAMBLE

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

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

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 Lodwar Technical and Vocational College set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of

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

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

Basis for Qualified Opinion

1. Lack of Ownership Documents and Valuation of Land

The statement of financial position reflects property, plant and equipment amount of Kshs.516,289,298 which as disclosed in Note 17 to the financial statements included land balance of Kshs.468,000,000. However, the asset register provided for audit revealed land balance of Kshs.120,000,000 resulting to unreconciled variance of Kshs.348,000,000. Further, ownership and valuation reports to confirm the acreage, ownership and value of the land were not provided for audit.

In the circumstances, the ownership, accuracy and completeness of the land balance of Kshs.468,000 could not be confirmed.

2. Unsupported Travel and Other Allowances

The statement of financial performance reflects employee cost amount of Kshs.7,202,675 which as disclosed in Note 11 to the financial statements includes travel and other allowances amount of Kshs.4,308,846. However, review of supporting documents provided for audit revealed that Management did not maintain an approved memorandum cash book and imprest register to support the imprests issued as required by Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015. Further, there were no surrender vouchers to confirm whether the imprests were applied for the intended purpose.

In the circumstances, the propriety and completeness of the expenditure amounting to Kshs.4,308,846 on travel and other allowances could not be confirmed.

3. Variance Between Financial Statement Amounts and Amounts in Supporting Schedules

The statement of financial performance reflects rendering of services amount of Kshs.14,213,848 as disclosed in Note 7 to the financial statements. However, review of records provided revealed that the College erroneously reported the actual amount of

Kshs.14,213,848 received from students' fees instead of Kshs.25,710,159 computed as a product of the annual fees payable and the number of students in attendance.

In the circumstances, the accuracy and completeness of the rendering of service amount of Ksh.14,213,848 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.17,296,000 and Kshs.25,999,138 respectively resulting in over-realization of Kshs.8,703,138 or 50% of the budget. Similarly, the College incurred an expenditure of Kshs.19,339,247 against actual revenue of Kshs.25,999,138 resulting in an under-expenditure of Kshs.6,659,891 or approximately 26%.

The under-performance affected the planned activities 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 Matter

Unresolved Prior Year's Audit issues

The audit report for the previous financial year, raised several issues in regard to the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. The Management has not resolved the issues or given explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template. The issues are contained in **Appendix 1** of this audit report.

Other Information

The Management is responsible for the other information set out on page iii to xvi which comprise of Key Entity Information and Management, The Board of Governors, Key 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 Statement, Report of the Board of Governors and Statement of 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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Accreditation of Trainers

Analysis of personnel records of the eleven (11) trainers recruited by the Board during the year under review revealed that none had accreditation by the Technical and Vocational Education and Training Authority. This was contrary to Section 23 of the Technical and Vocational Education and Training Act, 2013 which requires trainers to be registered with a professional body and be accredited by the Authority. Unlicensed trainers may lack the necessary qualifications, experience, and expertise in their field, leading to inadequate instruction.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Appointment of The Board

Paragraph 3(i) of Section D of annexure 1 of Mwongozo - The Code of Governance for State Corporations requires the appointing authority to gazette names of the appointed persons to the Board. However, the gazette notice on the appointments was not presented for audit.

In the circumstances, it was not possible to confirm that the Board was appointed in accordance to the law.

2. Performance of the Board

The statement of financial performance reflects remuneration of directors' amount of Kshs.782,900. However, contrary to paragraphs 1.11 and 1.12 of Mwongozo -The Code of Governance for State Corporations, there was no Board charter in place and no evidence that the Board members' performance was evaluated during the year under review. Further, contrary to paragraph 1.9 of Mwongozo -The Code of Governance for State Corporations, there was no board work plan in place.

In the circumstances, the effectiveness of the board and other governance structures could not be confirmed.

3. Failure to Establish Internal Audit Unit and Audit Committee

During the year under review, the College had not established an audit committee of the Board and an internal audit function. This was contrary to Sections 73(5) and 155 of the Public Finance Management (PFM) Act, 2012, which requires the accounting officer to make arrangements for internal audit and establishment of an audit committee.

In the circumstances, the effectiveness of internal controls and risk management and fraud prevention could not be confirmed.

4. Lack of Risk Management Policy and Disaster Recovery Plan

Review of the internal controls of the entity revealed that the College does not have a risk management policy. Further, the College did not have a disaster recovery or business continuity plan to ensure that the entity recovers its functionality in case of an unplanned incident or disaster. This is contrary to Sections 12(2)(i), 50(1), 59(a)(iii), 62(3)(a), 63, 141, 73(3), and 155(3) of Public Finance Management Act, 2012 which requires public entities to establish risk management policies and disaster recovery plans.

In the circumstances, the College resources are susceptible to loss due to fraud and other malpractices. Further, the College may not be able to recover vital financial and non-financial data in the event of a disaster.

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

Responsibilities of the Management and Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 June, 2025

Appendix 1: Audit Findings for Lodwar Technical and Vocational College (Year Ended 30 June 2023)

Section	Finding	Details	Non-Compliance
A. REPORT ON FINANCIAL STATEMENTS			
1. Inaccuracies of Property, Plant & Equipment	The statement of financial position reflects PPE balance of 517,999,361 whereas Note 31 reflects net book value of 510,851,211.	Unexplained variance of 7,148,150. Includes land valued at 468,000,000 without valuation report.	Accuracy and completeness of fixed assets could not be confirmed
2. Non-Disclosures in Financial Statements	Total expenses of 10,638,497 excludes hire of facilities (11,000). PPE balance excludes printer (136,800).	Omitted transactions in ledgers and unrecorded asset acquisition.	Accuracy and completeness of financial statements could not be confirmed
3. Variances in Opening Balances	Opening balances did not match 2021/2022 closing balances.	Example variances: - Rendering Services-Fees: 2,918,230 - Employee Costs: (2,056,455) - Capital Fund: 1,498,492	Accuracy of financial statements could not be confirmed
B. EMPHASIS OF MATTER			
Budgetary Control and Performance	Final receipts budget: 14,430,000 vs actual: 9,197,000 (deficit of 5,233,000 or 36%). Budgeted expenditure: 14,380,000 vs actual: 11,088,497 (overrun of 3,291,503 or 23%).	Revenue shortfall and over-expenditure indicate approved activities/programs were not fully implemented and resources not used effectively.	Non-effective use of resources.
C. INTERNAL CONTROL WEAKNESSES			
1. Lack of Data Protection Policy	No data protection/privacy policy or impact assessments conducted.	Institution processes PII (employee/student data) but is not registered as data controller/processor per Data Protection Act 2019.	Violates Section 18(1) and 31 of Data Protection Act. Risks fines/penalties.

Section	Finding	Details	Non-Compliance
2. Lack of Board Workplan/Evaluation	No board workplan or member effectiveness evaluations.	No clear guidelines on board mandates or performance reviews.	Non-compliance with Mwongozo Code (Section 1.12(b)). Board effectiveness unconfirmed.
3. Lack of ERP System & Weak ICT Controls	No ERP system, disaster recovery plan, business continuity plan, or offsite backups.	Manual processes for revenue, payments, procurement, and HR. No data backups in external drives/cloud.	Integrity and safety data unconfirmed. Operational inefficiencies.

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
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14. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	11,754,289	3,662,000
Grants from donors and development partners		-	-
Transfers from other levels of government			-
Public contributions and donations		-	-
Total Revenue from non-exchange transactions		11,754,289	3,662,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	14,213,849	5,762,950
Sale of goods	8		-
Rental revenue from facilities and equipment	9	31,000	-
Finance income - external investments		-	-
Other income			-
Total Revenue from exchange transactions		14,244,849	5,762,950
Total revenue		25,999,138	9,424,950
Expenses			
Use of goods and services	10	6,926,820	2,384,566
Employee costs	11	7,202,675	3,967,160
Remuneration of directors	12	782,900	1,349,160
Depreciation and amortization expense	13	3,036,063	2,341,623
Repairs and maintenance	14	64,790	595,988
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
Total expenses		18,013,247	10,638,497
Other gains/(losses)			
Gain on sale of assets		-	-
Unrealized gain on fair value of investments		-	-
Impairment loss		-	-
Total other gains/(losses)		-	-
Net Surplus/Deficit for the year		7,985,891	(1,213,547)
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

The Financial Statements set out on pages 1 to 7 were signed on behalf of the College Board of Governors by:

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
Annual Report and Financial Statements for the year ended 30th June 2024

JPEvans

Chairman of Council/Board

Date *8/5/2025*

[Signature]

Principal

Date *08/05/2025*



[Signature]

Finance Officer

ICPAK No

Date *08/5/2025*

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
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15. Statement of Financial Position as at 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	10,035,225	1,039,272
Current portion of receivables from exchange transactions	16	8,521,332	2,400,735
Receivables from non-exchange transactions		-	-
Inventories		-	-
Investments		-	-
Total current Assets		18,556,557	3,440,007
Non-current assets			
Property, Plant and Equipment	17	516,289,298	517,999,361
Investments		-	-
Intangible assets	18	1,100,000	-
Investment property		-	-
Long term receivables from exchange transactions		-	-
Total Non-Current Assets		517,389,298	517,999,361
Total assets		535,945,855	521,439,368
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	3,874,136	-
Refundable deposits from customers	20	420,000	46,200
Current Provisions		-	-
Finance lease obligation		-	-
Current portion of borrowings		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance		-	-
Total Current liabilities		4,294,136	46,200
Non-current liabilities			
Non-current employee benefit obligation		-	-
Non-current provisions		-	-
Borrowings		-	-
Service concession liability		-	-
Deferred tax liabilities		-	-
Total Non-current liabilities		0	-
Total liabilities		4,294,136	46,200
Net assets		531,651,719	521,393,168
Accumulated surplus/deficit		6,772,344	(1,213,547)
Capital Fund		524,879,375	524,879,375
Total net assets and liabilities		531,651,719	523,665,828

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
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The Financial Statements set out on pages 1 to 7 were signed on behalf of the College Board of Governors by:



.....
Chairman of Council/Board

Date 8/5/2025



.....
Principal

Date 08/05/2025



.....
Finance Officer

ICPAK No

Date 08/5/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022	0	- 1,213,547.00	524,879,375.00	523,665,828.00
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	0	- 1,213,547.00	524,879,375.00	523,665,828.00
At July 1, 2023	0	- 1,213,547.00	524,879,375.00	523,665,828.00
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	-	7,985,890.51	-	7,985,890.51
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	0	6,772,343.51	524,879,375.00	531,651,718.51

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17. Statement of Cash Flows for the Year Ended 30 June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	11,754,290	3,662,000
Public contributions and donations			-
Rendering of services- Fees from students	7	14,213,848	5,762,950
Other income, rentals and agency fees	9	31,000	-
Other Receipts- Caution Money			46,200
Total Receipts		25,999,138	9,471,150
Payments			
Compensation of employees	11	7,202,675	3,967,160
Use of goods and services	10	6,926,820	2,384,566
Remuneration of directors	12	782,900	1,349,160
Repairs and maintenance	14	64,790	595,988
Total Payments		14,977,185	10,638,497
Net cash flows from operating activities		11,021,953	(1,167,347)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	17 & 18	2,026,000	-
Proceeds from sale of property, plant and Equipment			-
Decrease in non-current receivables			-
Increase in investments			-
Net cash flows used in investing activities		2,026,000	-
Cash flows from financing activities			
Proceeds from borrowings			-
Repayment of borrowings			-
Increase in deposits			-
Net cash flows used in financing activities		0	-
Net increase/(decrease) in cash and cash equivalents		8,995,953	954,462
Cash and cash equivalents at 1st July 2023		1,039,272	84,810
Cash and cash equivalents at 30th June 2023	15	10,035,225	1,039,272

LODWAR TECHNICAL AND VOCATIONAL COLLEGE (LTVC)
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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=a+b	d	e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from other Gov't entities Gov't grants	9,000,000	0	9,000,000	11,754,289.90	130.60%
Public contributions and donations	0	0	0		
Rendering of services- Fees from students	8,296,000	0	8,296,000	14,213,848.52	171.33%
Sale of goods	-	-	0	31,000.00	
Finance Income	-	-	-	-	
Other Income	-	-	-	-	
Gains on disposal, rental income and agency fees	-	-	-	-	
Total income	17,296,000.00	0.00	17,296,000.00	25,999,138.42	150.32%
Expenses					
Compensation of employees	3,456,000	0	3,456,000	7,202,675.00	208.41%
Use of Goods and services	11,547,877	0	11,547,877	6,926,819.90	59.98%
Finance costs	0	0	0	-	
Rent paid	0	0	0	-	
Remuneration of directors	1,320,000	0	1,320,000	782,900.00	59.31%
Repairs and Maintenance	547,500	0	547,500	1,390,790.00	254.03%
Depreciation	374,623	0	374,623	3,036,062.59	810.43%
Grants and subsidies paid	0	0	0	-	
Total expenditure	17,246,000	0	17,246,000	19,339,247.49	112.14%
Surplus for the period	50,000.00	0.00	50,000.00	6,659,890.93	

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19. Notes to the Financial Statements

1. General Information

Lodwar TVC is a public TVET institution that was registered under the TVET Act, 2013 *Section 20(1)* on 14/01/2019 (Registration Number: TVETA/PUBLIC/TVC/0019/2019). The entity is domiciled in Turkana central sub county, Turkana County in Kenya and. Under the Ministry of Education.

2. Statement of Compliance and Basis of Preparation

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

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3. Adoption of New and Revised Standards

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

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

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

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

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	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

Lodwar TVC did not early adopt any new or amended standards in year 2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The Board approved the original budget for FY 2023/2024 on May 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals to conclude the final budget. Accordingly, the college recorded additional appropriations of 0.00 on the FY 2023/2024 budget following the Board's approval. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The

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financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The college is exempt from paying taxes as per schedule *Income Tax Act*.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance

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costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are

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recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. No Critical estimates and significant judgments were made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The College does not create and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The College does not provide 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.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

The College analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the College 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

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assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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Useful lives and residual values

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

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

Provisions

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

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	9,754,290	3,662,000
Operational Grant	2,000,000	-
Development grants	-	-
Other Grants		-
Total unconditional Grants	11,754,289	3,662,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	11,754,289	3,662,000

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

Name of the Entity Sending The Grant	Amount recognized to of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Vocational Education	9,754,290	0		9,754,290	3,662,000
Ministry of Education	2,000,000	0		2,000,000	0
Total	11,754,289	0		11,754,289	3,662,000

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7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	7,590,550	5,183,350
Activity Fees	2,698,000	49,950
Industrial Attachment Fees		-
Examination Fees	3,590,000	407,550
Library Fees		-
Facilities And Materials	250,000	32,400
Registration Fees	45,000	37,500
Others (caution)	40,298	46,200
Total Revenue from The Rendering of Services	14,213,848	5,756,950

8. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (facility equipment)	-	-
Total Revenue from Sale of Goods	-	-

9. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	31,000	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others	-	-
Total	31,000	-

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10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials		28,200
Industrial attachment costs		33,000
Electricity		56,260
Water	12,095	12,245
Security	60,000	-
Professional and consultancy services		-
Subscriptions	1,176,608	162,020
Advertising	50,000	15,000
Examination fees	3,678,570	573,170
Audit fees	30,000	-
Catering, conferences, and delegations	649,000	294,800
Travelling and accommodation	4,500	-
Fuel and oil	225,950	46,760
Insurance	22,250	10,400
Legal expenses		-
Licenses and permits	36,100	10,000
Postage	9,825	8,925
Printing and stationery	680,150	164,500
Hire charges	80,500	7,000
Rent expenses		-
Skills development levies		-
Telephone expenses	131,246	110,000
Internet expenses	15,398	69,588
Training expenses	56,048	232,098
Bank Charges	8,580	5,420
Others Kitchen Utilities		545,180
Total good and services	6,926,820	2,384,566

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11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	2,882,329	1,893,910
Employee related costs - contributions to pensions and medical aids		15,000
Travel, motor car, accommodation, subsistence and other allowances	4,308,846	2,058,250
Housing benefits and allowances	-	-
Overtime payments		-
Social contributions	11,500	-
Employee Costs	7,202,675	3,967,160

12. Remuneration of Directors

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	113,000	152,800
Directors Emoluments	88,000	234,000
Other Allowances	581,900	962,360
Other Board/Council Expenses	-	-
Total	782,900	1,349,160

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	3,036,063	2,341,623
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	3,036,063	2,341,623

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	64,790	595,988
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	64,790	595,988

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15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	10,035,225	1,039,272
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	10,035,225	1,039,272

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
National Bank of Kenya	7700197512	10,035,225	1,039,272
Equity Bank, etc.		-	-
Sub- Total		-	-
b) On - Call Deposits		-	-
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account		-	-
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
		-	-
d) Staff Car Loan/ Mortgage		-	-
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(Specify)		-	-
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		10,035,225	1,039,272

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16. Receivables from Exchange transactions

16(a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	8,521,332	2,400,735
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	8,521,332	2,400,735

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	4,069,474	48%	2,400,735	100%
Between 1- 2 years	4,451,858	52%	0	
Between 2-3 years				
Over 3 years				
Total (a+b)	8,521,332	100%	2,400,735	100%

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17. Property, Plant and Equipment

	Land	Buildings	Furniture and fittings	Computers Hardware	Other Assets (Electrical, Plumbing Materials, and Library Books)	Plant and equipment	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation rate	-	0.025	0.125	0.333	0.2	0.2	
At 30 th July 2023	468,000,000	39,926,890	1,050,431	231,605	386,530	8,403,905	517,999,361
Additions	0	1,000,000	251,000	-	75,000	-	1,326,000
Disposals	0	-	-	-	0	-	0
Transfer/Adjustments	0	0	0	0	0	-	0
At 30 th June 2024	468,000,000	40,926,890	1,301,431	231,605	461,530	8,403,905	519,325,361
Depreciation And Impairment							
At 30 July 2023		814,834	156,960	114,074	0	1,255,755	2,341,623
Depreciation	0	1,023,172.25	162,678.88	77,124.47	92,306.00	1,680,781.00	3,036,063
Disposals	-	-	-	-	0	-	0
Impairment	-	0	-	-	0	-	-
Transfer/Adjustment	-	0	0	0	0	-	0
At 30 th Jun 2024	-	0	0	0	0	-	0
Net Book Values							
At 30 th Jun 2023	468,000,000	39,926,890	1,050,431	231,605	386,530	8,403,905	517,999,361
At 30 th Jun 2024	468,000,000	39,903,718	1,138,752	154,481	369,224	6,723,124	516,289,298

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Notes to the Financial Statements

Valuation

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

17(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	468,000,000	0	468,000,000
Buildings	38,880,546	1,023,172	39,903,718
Furniture and fittings	976,073	162,679	1,138,752
Computers Hardware	77,356	77,124	154,481
Other Assets (Electrical, Plumbing Materials, and Library Books))	276,918	92,306	369,224
Plant and equipment	5,042,343	1,680,781	6,723,124
Total	513,253,236	3,036,063	516,289,298

18. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	1,100,000	-
At end of the year	-	-
Additions—internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	1,100,000	-

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19. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	400,000.00		-	
Fees paid in advance	3,474,136		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	3,874,136		-	
Ageing analysis:	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	824,834	21%		%
1-2 years	3,049,302	79%	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	3,874,136	100%	-	-

20. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2023-2024		2022-2023	
	KShs		KShs	
Consumer deposits	-		-	
Caution money	420,000		46,200	
Other refundable deposits			-	
Total deposits	420,000		46,200	

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21. Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax	7,985,890.51	1,039,272
Adjusted for:		
Depreciation	3,036,062.59	2,341,623
Non-Cash grants received		
Contributed assets		
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance Income		
Finance Cost		
Working Capital Adjustments		
Increase in Inventory	-	
Increase in Receivables	(4,247,936.29)	3,603,455
Increase in Deferred Income		
Increase in Payables	3,874,136.19	
Increase in Payments received in advance	373,800.00	46,200
Net Cash Flow from Operating Activities	11,021,953.00	7,030,550.00

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22. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	2,400,735	2,400,735	-	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	1,039,272	1,039,272	-	-
Total	3,440,007	3,440,007	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	8,521,332	8,521,332	-	-
Bank balances	10,035,225	10,035,225	-	-
Total	18,556,557	18,556,557	-	-

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the college has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has no significant concentration of credit risk.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables		-	3,874,136	3,874,136
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	3,874,136	3,874,136
At 30 June 2024				
Trade Payables	-	-	4,294,136	4,294,136
Receivables from fees	-	-	8,521,332	8,521,332
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	12,815,468	12,815,468

(iii) Market risk

Lodwar TVC has no internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the entity's income or the value of its holding of

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financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

Lodwar TVC has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

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Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	0	0
Accumulated Fund	6,772,343.51	1,213,547
Capital Reserve	524,879,375	524,879,375
Total Funds	531,651,719	523,665,828
Total Borrowings	0	0
Less: Cash and Bank Balances	10,035,225	1,039,272
Net Debt/(Excess Cash and Cash Equivalents)	(10,035,225)	(1,039,272)

23. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Lodwar TVC, holding 100% of the Lodwar 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 of Vocational Education Training
- iv) Key management
- v) Board of directors

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	11,754,289	3,662,000
Total	11,754,289	3,662,000

24. Events after the Reporting Period

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

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25. Ultimate And Holding Entity

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

26. Currency

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

27. Appendices

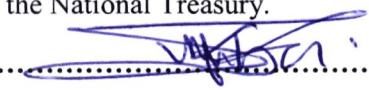
Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

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Name **JAPHETH KIBOI**
 Accounting Officer
 (Principal)

Date **08/05/2025**



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Appendix II: Projects Implemented by Lodwar TVC

Projects

Projects implemented by the Lodwar TVC Funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	NONE					
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	NONE						
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Education State Department of Vocational Education Training

Name of beneficiary entity: Lodwar Technical and Vocational College

Confirmation of amounts received by Lodwar Technical and Vocational College as at 30th June 2024

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	12/07/2023	500,000	-	500,000	-
	06/10/2023	500,000	-	500,000	-
	06/10/2023	766,500	-	766,500	-
	18/03/2024	1,572,223	-	1,572,223	
	14/02/2024	500,000	-	500,000	
	14/02/2024	4,360,566.90	-	4,360,566.90	
	22/02/2024	500,000	-	500,000	
	19/06/2024	1,383,000	-	1,383,000	
Total		11,754,289.90	-	11,754,289.90	-

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

Head of Accounts Department - Disbursing Entity: Lodwar Technical and Vocational College

Name Sign Date

Head of Accounts Department -

Name Sign Date.....

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure Reporting response/recovery/mitigation /preparedness)	Expenditure item	Amount (Kshs.)	Comments

