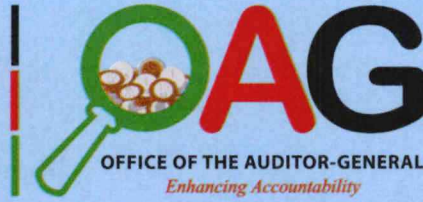


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

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ON

**RHAMU TECHNICAL AND VOCATIONAL
COLLEGE**

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

MANDERA COUNTY

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RHAMU TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Rhamu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Rhamu Technical and Vocational College (Rhamu TVC) was established under the Technical and Vocational Education and Training (TVET) Act, 2013. The institution is domiciled in Kenya and operates under the Ministry of Education, State Department for TVET. It was officially handed over to the Ministry of Education on 10th March 2024 and admitted its pioneer trainees in September 2024.

The college is located in Rhamu Town, Mandera County, opposite Sheikh Ali High School, and serves as a key center for technical and vocational education in the region. Rhamu TVC currently does not have satellite campuses, but it is strategically positioned to serve learners from Mandera County and the neighboring regions.

The institution offers programs in various technical and vocational fields designed to enhance employability and support socio-economic development. These include:

Engineering Department – Mechanical, Electrical, and Building & Civil Engineering trades.

Business and Entrepreneurship Department – Business management, accountancy, and entrepreneurship studies.

Information and Communication Technology (ICT) Department – ICT integration, computer systems, and software applications.

Agriculture and Environmental Studies Department – General Agriculture and Agriculture value addition.

Rhamu TVC is committed to equipping trainees with relevant knowledge, technical skills, and competencies that meet the demands of the labor market. The institution also collaborates with industry stakeholders and the local community to foster innovation, self-employment, and sustainable livelihoods.

Vision and Mission

- **Vision:** To be a leading center of excellence in technical and vocational training, fostering innovation and economic development.
- **Mission:** To provide quality technical and vocational education that meets the needs of industry and the community through skill-based training and research.

(b) Principal Activities

The principal mandate of Rhamu Technical and Vocational College (Rhamu TVC) is to provide quality technical, vocational, and entrepreneurial training in line with the Technical and Vocational Education and Training (TVET) Act, 2013. The institution aims to produce competent graduates equipped with practical skills, knowledge, and attitudes that meet the demands of the labor market and contribute to the socio-economic development of Mandera County and Kenya at large.

(c) Key Management

The Rhamu TVC day-to-day management is under the following key organs:

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management, Deputy Principal

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Noor Dahiya Hanshi
2.	Ag. Deputy principal	Mr. Hassan Khala Osman

(e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements are designed to ensure the financial and operational integrity of the institution, and the key activities include:

1. Audit and Risk committee activities

The institute is intending to form audit and risk committee to perform the following responsibility since it does not have the capacity now
 Duties and responsibility are:

- a) To ensure financial statement are understandable, transparent and reliable
- b) To ensure strong and effective internal control systems are in place to achieve organization goal
- c) To ensure rule and regulation policies are compiled and control conflict of interest and fraud are controlled.
- d) Reviewing internal audit plans, report and other significant findings.
- e) Establishing a direct reporting relationship with the external auditors.

2. Finance and operation committee activities

The committee shall exercise all the powers of BOG in financial matters. The role of the committee shall be to monitor the financial status of the institute on behalf of the BOG. this are their responsibility.

- a) To provide strategic plan on financial matters
- b) To supervise and organize the arrangement for safeguarding the institute asset.

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- c) Financial evaluation and control of projects
- d) To communicate and recommend to BOG on the financing of projects.
- e) To determine fee charge on institute service and facilities.
- f) To receive reports from finance officer
- g) To supervise the effective and efficient procurement resources and ensure they are utilized.

- **Academic Committee Activities**

- **Mandate:** The Academic Committee ensures academic integrity, compliance with education standards, and the proper allocation of resources for academic programs.

- **Activities:**

- Oversight of curriculum development, quality assurance, and accreditation processes.
- Monitoring academic performance and recommending necessary improvements.
- Ensuring financial allocations support academic excellence and growth.

(f) Rhamu TVC Headquarters

Rhamu Technical and Vocational College
P.O. Box 115-70300
Mandera –Kenya

(g) Rhamu TVC Contacts

Telephone: 254 720 096 192
E-mail: rhamutvc@gmail.com

(h) Rhamu TVC Bankers

Equity Bank
Mandera Branch
P.O. Box 536-70300
Mandera, Kenya

(i) Independent Auditors

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



Key Entity Information and Management (Continued)

(j) Principal Legal Adviser




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

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3.The Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Hussein Ali Farah Chairman	<p>D.O.B: 10/07/1955</p> <p>Education: Bachelor Degree in Disaster Management Diploma in Disaster Management Certificate in Community Health</p> <p>Experience: 2011 to date Project Officer RACIDA 2008-2011 Senior Chief I 1997-2007 Senior Chief II</p>
2.	 Mrs. Zahara Bashir Sheikh Member	<p>D.O.B: 20/01/1974</p> <p>Education: Bachelor of Education Arts</p> <p>Experience: Senior Educationist and former County Chief officer Livestock with Mandera County Government</p>
3.	 Mr. Abdi Omar Ibrahim Member	<p>D.O.B: 20/11/1958</p> <p>Education: Bachelor of Education</p> <p>Experience: 43 years as a Teacher Senior Educationist and retired Curriculum Support officer(CSO) .</p>



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4.	 Mr. Hassan Hussein Member	<p>D.O.B: 01/01/1987</p> <p>Education: BSC community development</p> <p>Experience: CDF chairperson for Mandera North constituency</p>
5.	 Mr. Abdikadir Abdinoor Haji Member	<p>D.O.B: 01/011972</p> <p>Education: MBA - Don Bosco University BSC Education Science</p> <p>Experience: Assistant teacher - Sheikh Ali high school H.O.D (Science) - Sheikh Ali high school Deputy Principal - Sheikh Ali high school Chief children officer – Nyayo house Nairobi County Director state department of children protection</p>
6.	 Mr. Mohamud Omar Mohamed Member	<p>D.O.B: 1987</p> <p>Education: Centre of Professional studies- MKU- Certified Human Resource Professional Course Level 1 & II- Diploma in Information Communication Technology- ICT Bachelor of Development studies -HR OPTION Diploma In Personnel Management</p> <p>Experience: - Deputy Director delivery unit Mandera county - Worked with Info track research as A Focused Group Discussion Moderator for Wajir and Mandera Counties. - Appointed Ag. Director Human Resource – Ministry of Interior- Stationed as Ag. Director in charge of Human Resource- Ministry of Interior –until my secondment to County Government of Mandera</p>

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7.	 Mr. Abdifatah Omar Maalim Member	<p>D.O.B: 01/01/1994</p> <p>Education: Master of Business Administration (Finance), Mount Kenya University. Bachelor's degree in Economic and statistics, Egerton University.</p> <p>Experience: Finance officer- The Kenya Institute for Public Policy Research and Analysis (KIPPRA). Financial Analyst at Nurex Cargo Limited</p>
8.	 Yussuf Mohamed Kassim Regional Director	<p>D.O.B: 01/01/1969</p> <p>Education: Master of Business Administration Bachelor Education</p> <p>Experience: Regional Director TVET -Wajir and Mandera County Former High School Principal</p>
9.	 Mr. Noor Dahiya Hanshi Principal	<p>Date of Birth: 01/01/1993</p> <p>Qualification: Bsc Animal Science Post Graduate Diploma in Technical Training Education Ongoing Msc in Research Methods</p> <p>Experience: 4 years Senior Trainer KISII National Polytechnics 2 years Principal Rhamu TVC</p>

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Noor Dahiya Hanshi Principal	<p>Date of Birth: 01/01/1993</p> <p>Qualification: Bsc Animal Science Post Graduate Diploma in Technical Training Education Ongoing Msc in Research Methods</p> <p>Experience: 4 years Senior Trainer KISII National Polytechnics 2 years Principal Rhamu TVC</p>
2.	 Hassan Khala Osman Deputy principal	<p>Date of Birth: 01/01/1997</p> <p>Qualification: Higher National Diploma in Electrical and Electronics Engineering</p> <p>Experience: 3 Years Trainer at Mandera Technical Training Institute 1 Years as Deputy Principal at Rhamu TVC</p>

5. Chairman's Statement

On behalf of the Governing Council of Rhamu Technical and Vocational College (Rhamu TVC), I am pleased to present the Chairman's Statement for the reporting year. This statement provides a brief highlight of the college's activities, achievements, challenges, and the future outlook.

Key Activities and Achievements

The year under review was significant for Rhamu TVC, as it marked the official commencement of academic and administrative operations. Following the handover of the institution to the Ministry of Education on **10th March 2024**, the college admitted its pioneer trainees in **September 2024**.

Key milestones achieved during the year included:

- Successful enrollment of the first cohort of trainees across various programs in Engineering, Business, ICT, and Agriculture.
- Recruitment and deployment of qualified trainers to support the delivery of Competency-Based Education and Training (CBET).
- Establishment of administrative and academic structures necessary for effective governance and management.
- Engagement with the local community and stakeholders to promote awareness of the college's mandate and training opportunities.
- Initial investments in infrastructure development, learning facilities, and acquisition of essential training equipment.

Challenges

Despite these achievements, the college faced several challenges:

- Inadequate infrastructure and equipment to fully support the growing demand for training.
- Limited financial resources to expand programs and facilities at the pace required.
- The need to enhance awareness and mobilization for increased enrollment from the local community.
- Harsh climatic conditions and logistical constraints in Mandera County that affect operations and service delivery.

Way Forward / Future Outlook

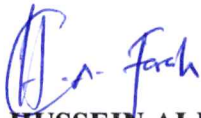
The Governing Council, in collaboration with the Ministry of Education, has outlined strategies to address these challenges and steer the college toward sustainable growth. These include:

- Lobbying for increased government funding and resource mobilization from development partners.

Rhamu Technical and Vocational College
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- Prioritizing the expansion of training workshops, classrooms, and hostels to accommodate growing student numbers.
- Strengthening linkages with industry and government agencies for industrial attachment, apprenticeship, and job placement opportunities.
- Enhancing community outreach and sensitization to increase enrollment and promote inclusivity, especially for marginalized groups.
- Embracing technology and innovation to ensure training remains relevant and aligned with market needs.

In conclusion, the Governing Council is committed to ensuring that Rhamu TVC grows into a leading center of excellence in technical and vocational education. We remain grateful to the Government of Kenya, development partners, stakeholders, and the community for their unwavering support in laying a strong foundation for this institution.



Mr. HUSSEIN ALI FARAH
BoG CHAIRMAN

Rhamu Technical and Vocational College
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6. Report of the Senior Principal

It gives me great pleasure to present the Principal's Report for the year under review. This report highlights the institution's milestones, key achievements, challenges, and future outlook as we continue to lay the foundation for the growth of Rhamu Technical and Vocational College (Rhamu TVC).

Institutional Progress and Activities

The reporting year was historic for Rhamu TVC as it marked the beginning of academic and administrative operations. Following the official handover to the Ministry of Education on 10th March 2024, the college successfully admitted its pioneer cohort of trainees in September 2024.

During this formative stage, the institution achieved notable progress in the following areas:

1. Academic Programs and Training Delivery

- Launch of training programs in Engineering, ICT, Business, and Agriculture departments.
- Implementation of Competency-Based Education and Training (CBET) curricula in line with the TVET Act, 2013.
- Recruitment and deployment of 9 trainers by the Public Service Commission to deliver quality training.

2. Governance and Administration

- Establishment of internal governance and management structures to support effective operations.
- Setting up of key administrative units including finance, procurement, and human resource offices.
- Collaboration with the Ministry of Education and TVET agencies for compliance with statutory and regulatory requirements.

3. Infrastructure and Resources

- Renovation and preparation of classrooms, workshops, and offices to support training delivery.
- Procurement of initial training equipment, ICT facilities, and essential furniture.
- Development of water supply and to support both the college and the surrounding community.

4. Community Engagement

- Strengthened ties with the local community through sensitization forums and mobilization drives to boost enrollment.
- Partnership with local leaders and organizations to promote inclusivity, particularly for women, youth, and marginalized groups.

Financial Performance

The financial year was characterized by constrained resources as the college is still in its establishment phase. The institution relied mainly on capitation from the Government of Kenya and trainee fees to finance operations. Funds were prudently utilized to cover critical areas including staff salaries, training materials, basic infrastructure improvements, and administrative costs.

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Though modest, the financial performance reflected positive progress in setting up a strong base for future sustainability. The Governing Council and management continue to explore additional resource mobilization avenues, including partnerships, donor support, and income-generating projects.

Challenges Faced

Despite the achievements, the institution encountered several challenges, including:

- Inadequate infrastructure and limited training equipment to match the needs of expanding programs.
- Delays in the release of funds and insufficient resources to implement planned projects on time.
- Low awareness among community members on the importance of technical and vocational training, resulting in initial enrollment gaps.
- Harsh climatic and logistical conditions in Mandera County that affect accessibility and smooth operations.

Future Outlook

Looking ahead, the college is determined to build on the successes achieved so far and address the existing challenges. Key priorities for the next period include:

- Expansion of physical infrastructure, including workshops, laboratories, and hostels, to cater for increased trainee numbers.
- Strengthening partnerships with industry players to facilitate industrial attachments, internships, and employment opportunities for graduates.
- Diversifying income streams through income-generating projects, consultancy services, and enhanced resource mobilization.
- Intensifying community engagement campaigns to increase awareness and enrollment, especially among women and marginalized groups.
- Leveraging digital technologies and e-learning platforms to complement traditional training and improve delivery.

In conclusion, the journey of Rhamu TVC has just begun, but the progress made within the year demonstrates the institution's great potential to transform lives and contribute to socio-economic development. With continued support from the Government, development partners, stakeholders, and the community, Rhamu TVC is poised to become a model center of excellence in technical and vocational training.

I take this opportunity to sincerely thank the Ministry of Education, the Governing Council, our staff, students, and partners for their invaluable support during this formative stage. Together, we will continue to nurture a skilled and empowered workforce for Kenya's development.



MR. NOOR DAHIYA HANSHI
PRINCIPAL/SECRETARY BOG

Rhamu Technical and Vocational College
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7. Statement of Performance against Predetermined Objectives

During the financial year under review, Rhamu TVC did not have an approved Strategic Plan due to delays in the appointment of the new Board. The absence of a duly constituted Board limited the institution's ability to develop and adopt a Strategic Plan as required.

8. Corporate Governance Statement

Rhamu Technical and Vocational College (Rhamu TVC) is committed to upholding high standards of corporate governance in line with the provisions of the TVET Act, 2013, the Mwongozo Code of Governance for State Corporations (2015), and other applicable regulations. The Governing Council provides strategic direction and oversight to ensure accountability, transparency, efficiency, and ethical leadership in the management of the institution.

i. Appointment of Board Members

Board members of Rhamu TVC are appointed by the Cabinet Secretary, Ministry of Education, in accordance with the TVET Act, 2013 and government guidelines. The process involves nomination, vetting, and formal appointment through a gazette notice. Members serve on fixed terms and may be reappointed upon satisfactory performance. Removal of directors follows due process as provided in the Act and Mwongozo guidelines.

The Governing Council comprises a diverse mix of professionals with expertise in education, finance, governance, industry, and community leadership. The Board reflects gender balance and regional representation to align with the constitutional principles of inclusivity. A Board Charter is in place to guide its operations and responsibilities.

ii. Roles and Functions of the Board

The Governing Council's key roles include:

- Providing strategic direction and approving institutional policies.
- Oversight of financial management, performance, and compliance.
- Ensuring effective risk management, accountability, and transparency.
- Supporting the management in resource mobilization and stakeholder engagement.
- Approving major capital projects and monitoring their implementation.
- Safeguarding the values and mission of the college.

iii. Induction, Training, and Development

Newly appointed Board members undergo induction programs facilitated by the Ministry of Education and the institution to familiarize them with their roles, governance structures, policies, and statutory requirements. Continuous capacity-building workshops and training sessions are also provided to enhance members' governance skills and keep them informed of emerging trends in TVET and higher education governance.

iv. Board and Members Performance

Board performance is periodically evaluated through self-assessments and external reviews in line with Mwongozo guidelines. These evaluations ensure accountability, identify areas of improvement, and strengthen the overall effectiveness of the Governing Council.

v. Number of Board Meetings and Attendance

During the reporting year, the Governing Council held **One (1)** regular meetings. Attendance was satisfactory, with most members attending at least 100% of all scheduled sessions. Attendance records are maintained and form part of the performance appraisal of Board members.

vi. Succession Plan

The institution has developed a succession plan to ensure continuity in leadership both at the Board and management levels. The plan identifies potential successors and provides capacity-building opportunities for staff to prepare them for higher responsibilities.

vii. Policy to Manage Conflict of Interest

A Conflict-of-Interest Policy is in place requiring Board members and staff to declare any personal or professional interests that may interfere with their duties. Members are required to

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sign conflict-of-interest declaration forms at the beginning of each financial year and before major deliberations.

viii. Board Remuneration

Board remuneration and allowances are determined in accordance with guidelines issued by the Salaries and Remuneration Commission (SRC). Payments are made strictly for work undertaken in official capacity and within approved government frameworks.

ix. Ethics and Conduct

The Governing Council upholds the highest standards of integrity, ethics, and professionalism. A Code of Conduct, aligned with the Public Officer Ethics Act, 2003, guides members in discharging their duties with honesty, accountability, and impartiality.

x. Governance Audit

The institution is committed to undertaking regular governance audits in line with Mwongozo and State Corporation requirements. These audits help assess compliance with governance principles and recommend measures to strengthen systems and processes.

xi. Communication Policy

The college has adopted a communication policy that promotes transparency and timely dissemination of information to stakeholders. The policy ensures that communication channels are open, consistent, and accessible to staff, students, the community, and development partners.

xii. Terms of Reference of Committees

To enhance efficiency, the Board has established committees with clear Terms of Reference. These committees include:

- **Finance, Audit, and Risk Committee** – Oversees financial management, audit reports, and risk controls.
- **Academic, Training, and Standards Committee** – Monitors quality assurance, training delivery, and curriculum implementation.
- **Human Resource and Administration Committee** – Handles staffing, capacity development, and HR policies.

xiii. Policy on Related Party Transactions

The institution has a policy to regulate related party transactions to prevent conflicts of interest and ensure fairness, transparency, and accountability. All related party dealings are disclosed in the financial statements and subjected to Board approval.

Rhamu TVC continues to strengthen its corporate governance framework to ensure accountability, integrity, and effective service delivery. The Governing Council remains committed to steering the institution toward becoming a center of excellence in technical and vocational education, aligned with Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

Mr. NOOR DAHIA HANSHI
PRINCIPAL/SECRETARY TO BOARD OF GOVERNORS

9. Management Discussion and Analysis

The Management of Rhamu Technical and Vocational College (Rhamu TVC) is pleased to present the Management Discussion and Analysis (MD&A) for the year under review. This section provides a detailed overview of the institution's operational and financial performance, major projects, compliance with statutory requirements, risks, and key focus areas moving forward.

Operational Performance

The year under review marked the launch of full operations for Rhamu TVC following the handover on 10th March 2024 and the first intake of trainees in September 2024.

Highlights of Operations

- **Trainee Enrollment:** The pioneer cohort enrolled across four academic departments (Engineering, ICT, Business, and Hospitality).
- **Trainer Deployment:** A total of 19 trainers were deployed by the Public Service Commission, with 17 reporting by September 2024.
- **Program Delivery:** Competency-Based Education and Training (CBET) was implemented across all departments.
- **Community Engagement:** Awareness forums were conducted to sensitize the local community on training opportunities.

Challenges

- In Security in the region has hindered growth in the College and this has contributed to Low enrolment in the College.
- Hardship related issues hinder capacity growth of our staff and this results to low staff moral and little or no income generating activities to generate more income to the institution
- Inadequate physical facilities in the College such as student hostels are some of the challenges relating to low enrolment.

College's compliance with statutory requirements

The College has no court cases at the moment.as at the quarter the College had complied with the statutory obligations as far as debt payment to our creditors.

Key projects and investment decisions the College is planning/implementing

Most of our projects are financed by grants from Government. However, in the year under review, there were no projects undertaken.

Rhamu Technical and Vocational College
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Major risks facing the College

Operational risks in the College include

- Loss of funds through student document forgery during payment of tuition and examination fee.
Mitigation, College intends to procure Student Biometric systems once procured will check the problem.
- Loss of funds through scrupulous suppliers and service providers providing inferior materials and services.

Mitigation, Enhanced inspection and monitoring of both works and services.

- Risk to loss of funds through downtime on internet and LAN systems.
Mitigation, Signed Maintenance service contract to upgrade the equipment.
- Loss of portable workshop tools and equipment from the workshop stores
Proposal to carry out asset registration and asset tagging to identify tools and equipment from risk of pilfer and theft.

Material areas in statutory/financial obligations

By the close of year in question, the College had some pending bills as indicated but did not have any loan default or tax default on pension obligations to the exchequer.

The College's financial probity and serious governance issues

The College has management committees and policies are in place to ensure that governance issues are well taken care of so far there has not been any conflicts of interest from among the council members.

10. Environmental And Sustainability Reporting Statement

1. Sustainability Strategy and Profile

Rhamu Technical and Vocational College (Rhamu TVC) recognizes that technical and vocational education must be anchored on sustainability principles to address both current and future socio-economic and environmental needs. Globally, institutions are increasingly affected by political and macroeconomic trends such as climate change, youth unemployment, and rapid technological transformation, which demand innovation and resilience in education and training. The institution aligns its sustainability initiatives with the United Nations Sustainable Development Goals (SDGs), particularly:

- SDG 4: Quality Education
- SDG 5: Gender Equality
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

Institutional Sustainability Priorities

- Equipping youth with employable skills to reduce poverty and unemployment.
- Promoting gender equity and inclusion of marginalized groups in training.
- Establishing environmentally friendly infrastructure and resource-efficient systems.
- Partnering with local communities to foster socio-economic development.

Key Achievements (FY 2024/2025)

- Allocated 35% of procurement contracts to special groups (youth, women, and persons with disabilities – PWDs) in compliance with the Public Procurement and Asset Disposal Act (PPADA).
- Rolled out a service delivery charter, ensuring transparency in administrative processes, admissions, and procurement.

Challenges included limited funding to implement large-scale green projects and low public awareness on sustainability. Mitigation efforts are ongoing through phased infrastructure development and continuous sensitization.

2. Environmental Performance

Environmental Policy

Rhamu TVC operates under a guiding Environmental Policy that emphasizes responsible resource use, effective waste management, and climate-smart practices.

Implementation Highlights

- Installed segregated waste bins across campus to promote recycling and proper disposal.
- Adopted a “reduce paper usage” policy by digitizing student records and introducing e-learning platforms.
- Introduced water conservation measures, including the use of storage tanks to reduce wastage.
- Maintained institutional vehicles regularly to minimize carbon emissions.
- Introduced tree planting initiatives, with 500 seedlings planted within the compound and surrounding community.

Shortcomings

- Limited facilities for advanced recycling and renewable energy.
- Insufficient funding for large-scale eco-friendly infrastructure.

Mitigation Measures

- Partnerships with county government and NGOs for tree planting.
- Phased investment in eco-friendly technologies, including energy-efficient lighting and solar heating systems.

3. Employee Welfare

Policies and Inclusivity

The hiring process is guided by equity and inclusivity, ensuring fair representation of youth, women, and PWDs in line with national policies. Gender balance and regional diversity are emphasized during recruitment.

Capacity Building and Career Development

- Trainers and staff participated in capacity-building workshops on Competency-Based Education and Training (CBET).
- Performance appraisal systems are being developed to enhance career progression and reward merit.

Health and Safety

- The institution complies with the Occupational Safety and Health Act (OSHA, 2007).
- Safety drills and sensitization sessions are conducted for both staff and students.
- No major work-related injuries were reported during the year.

4. Marketplace Practices

a) Responsible Competition Practices

- The college practices open tendering in line with PPADA.
- An anti-corruption reporting mechanism has been introduced, with whistleblowing channels available.
- Service delivery is anchored on a published charter, ensuring transparency and accountability.

b) Responsible Supply Chain and Supplier Relations

- Local suppliers and contractors are given priority in procurement.
- Payments are processed within stipulated timelines to promote trust and business growth.

c) Responsible Engagement with Citizens

- The institution engages in public sensitization forums to promote enrollment and skills awareness.
- Information is shared through posters, community meetings, and social media platforms.
- The college avoids exaggerated promises and maintains integrity in its outreach programs.

d) Product Stewardship / Awareness Creation

- Trainees are provided with adequate information on programs, fees, and career pathways.
- Consumer (trainee) rights are safeguarded by transparent dispute resolution mechanisms.
- Data privacy is upheld in student and staff records, with secure digital systems.

5. Corporate Social Responsibility (CSR) and Community Engagement

As a public institution, Rhamu TVC embraces CSR initiatives that directly benefit the community in line with its mandate.

CSR Activities in FY 2024/2025

- **Water Supply Initiative:** Extended water access to the surrounding community, reducing shortages.
- **Tree Planting Campaign:** Planted over 500 indigenous and drought-resistant trees in collaboration with the community.
- **Public Awareness Programs:** Conducted sensitization on the importance of TVET in combating unemployment and poverty.

These initiatives enhanced the institution's relationship with the local community and reinforced its role as a driver of both skills and social development in Mandera County.

Rhamu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Rhamu TVC's affairs.

Principal activities

The principal Activity of Rhamu Technical and Vocational College (Rhamu TVC) is to provide quality technical, vocational, and entrepreneurial training in line with the Technical and Vocational Education and Training (TVET) Act, 2013

Results

The results of the entity for the year ended June 30 are set out on page 35

Board of Governors

The members of the Board who served during the year are shown on page vii, viii, xi. During the year 2024/2025 Eight director was appointed with effect from April 2025 date.

Auditors

The Auditor General is responsible for the statutory audit of the Rhamu TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Rhamu TVC for the year/period ended June 30, 2025, 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

Nairobi

Date: 25/08/2025.



12. Statement of Board of Governors Responsibilities

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

The Board members are responsible for the preparation and presentation of the Rhamu Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Rhamu Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Rhamu TVC, (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 Rhamu Technical and Vocational 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 Rhamu Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The council members are of the opinion that the Rhamu Technical and Vocational College financial statements give a true and fair view of the state of Rhamu Technical and Vocational College transactions during the financial year ended June 30, 2025, and of the Rhamu Technical and Vocational College financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Rhamu Technical and Vocational College, which have been relied upon in the preparation of the Rhamu Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the Rhamu Technical and Vocational College ability to continue as a going concern *OR*

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Nothing has come to the attention of the Board members to indicate that the Rhamu 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 Rhamu TVC financial statements were approved by the Board on 25/09/2025 and signed on its behalf by:

Hussein Al-farah
Name H. Al-farah
Chairperson of the Board/Council

NDAH
Name: NOOR DALIA HANSH
Accounting Officer/Principal



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON RHAMU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025 – MANDERA COUNTY

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 Rhamu Technical and Vocational College – Mandera County set out on pages 1 to 31, which comprise of the

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

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

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment

The statement of financial position reflects a property, plant, and equipment (buildings) balance of Kshs.67,542,336, as disclosed in Note 13 to the financial statements. However, the value and ownership documents of the land where the buildings are constructed was not were not provided for audit.

In the circumstances, the accuracy, ownership and completeness of property, plant and equipment balance of Kshs.67,542,336 could not be confirmed.

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

Emphasis of Matter

Budget Performance and Control

The statement of comparison and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.5,187,680 and Kshs.2,502,283 respectively, resulting in an under-funding of Kshs.2,685,397 or 52% of the approved budget. Similarly, the College spent Kshs.2,038,700 against actual receipts of Kshs.2,502,383, resulting in an under-utilization of Kshs.463,683 or 19%.

The under-funding and underutilization 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 effects of the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

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

No.	Financial Year	Audit Issue
1.	2023/2024	Undisclosed and Unsupported Property, Plant and Equipment
2.	2023/2024	Late Submission of Financial Statements
3.	2023/2024	Failure to Prepare Estimates of Income and Expenditure
4.	2023/2024	Non-Disclosure of Institute of Certified Public Accountants (ICPAK) Membership Number
5.	2023/2024	Lack of Internal Audit Department
6.	2023/2024	Lack of Audit Committee
7.	2023/2024	Lack of Segregation of Duties
8.	2023/2024	Lack of Key Policies and Structures to Support Operations of the College
9.	2023/2024	Lack of Board of Governors

Other Information

The Management is responsible for the Other Information set out on page iii to xxv which comprise of Key College Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, 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

Failure to Prepare Estimates of Revenue and Expenditure

Management did not prepare estimates of revenue and expenditure. This is contrary to Section 68(2)(h) of the Public Finance Management Act, 2012, which requires the accounting officer to prepare estimates of expenditure in conformity with the College's strategic plan.

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. Lack of Internal Audit Function

During the year under review, the College did not have an internal audit unit in place aimed at strengthening internal control mechanisms that could have an impact on the achievement of the strategic objectives of the entity. This is contrary to Section 73(1) of the Public Finance Management Act, 2012, which requires every national government entity to ensure compliance with the Act and to establish appropriate arrangements for conducting internal audits in accordance with the guidelines issued by the Accounting Standards Board

In the circumstances, the effectiveness of the internal control systems could not be confirmed.

2. Lack of Audit Committee

During the year under review, the College did not establish an audit committee to support the Accounting Officer on issues of risk, control and governance and to review and advise on the entity's risk management strategies, internal control systems and corporate governance practices.

This is contrary to Section 73(5) of the Public Finance Management Act, 2012, which requires every National Government public entity to establish an Audit Committee whose composition and functions are prescribed by the regulations.

In the circumstances, the effectiveness of the internal control systems could not be confirmed.

3. Weak Internal Control

A review of the internal control system revealed that the College did not have in place key governance documents, such as a code of conduct for employees, human resource manual, finance manual, risk management framework, disaster recovery and business continuity plan and debt management guidelines.

Further, the College lacked essential departments necessary to support its operations, including Finance, Procurement and Information Communication Technology (ICT) departments, with appropriately assigned staff to ensure segregation of duties.

In the circumstances, the effectiveness of the internal control system could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

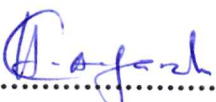
11 November, 2025

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14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,499,483	1,500,000
		1,499,483	1,500,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	3,107,480	-
Revenue from Exchange transactions		3,107,580	-
Total Revenue		4,606,963	1,500,000
Expenses			
Use of goods and services	8	1,688,700	1,329,773
Employee costs	9	240,000	61,000
Board Expenses	10	110,000	40,000
Depreciation and amortization expense	13	1,378,415	-
Total Expenses		3,417,115	1,430,773
Other Gains/(Losses)			
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		1,189,848	69,228

The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Board

Date 25/08/2025



Principal

Date 25/08/2025



Finance Officer

ICPAK No

Date 25/08/2025




Rhamu Technical and Vocational College
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15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	11	532,910	69,228
Current portion of receivables from exchange transactions	12a)	2,104,580	-
Total Current Assets		2,637,490	69,228
Non-Current Assets			
Property, plant, and equipment	13	67,542,336	68,920,751
Total Non-Current Assets		67,542,336	68,920,751
Total Assets		70,179,826	68,989,979
Liabilities			
Current Liabilities			
Non-Current Liabilities			
Total Liabilities		-	-
Net Assets		70,179,826	68,989,979
Represented By:			
Accumulated Surplus		70,179,826	69,228
Capital Fund		-	68,920,751
Net Assets		70,179,826	68,989,979

The Financial Statements set out on pages 1 to 6 were signed by:



Chairman of Board

Date 25/08/2025



Principal

Date 25/08/2025



Finance Officer

ICPAK No

Date 25/08/2025



**Rhamu Technical and Vocational College
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16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	0	0	0	0
Surplus/(deficit) for the year	0	68,989,979		68,989,979
At June 30, 2024	0	68,989,979		68,989,979
At July 1, 2024	0	68,989,979		68,989,979
Surplus/(deficit) for the year	0	1,189,848		1,189,948
At June 30, 2025	0	70,179,826		70,179,826

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17. Statement of Cash Flows for The Year Ended 30 June 2025

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	1,499,483	1,500,000
Rendering of services- fees from students	7	1,002,900	-
Total Receipts		2,502,383	1,500,000
Payments			
Use of goods and services	8	1,688,700	1,329,773
Employee costs	9	240,000	61,000
Board Expenses	10	110,000	40,000
Total Payments		2,038,700	1,430,773
Net Cash Flows from operating activities		463,683	69,228
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		463,683	69,228
Cash and Cash equivalents at 1 JULY		69,228	0
Cash and Cash equivalents at 30 JUNE		532,910	69,228

**Rhamu Technical and Vocational College
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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Transfers from other National Government entities	2,000,000	0	2,000,000	1,499,483	500,518	25%	a)
Rendering of services	3,187,680	-	3,187,680	1,002,900	2,184,780	69%	b)
Total Income	5,187,680	0	5,187,680	2,502,383	2,685,298	52%	c)
Expenses							
Use of goods and services	3,595,180	-	3,595,180	1,688,700	1,906,480	53%	d)
Employee costs	410,000	0	410,000	240,000	170,000	41%	e)
Board Expenses	200,000	0	200,000	110,000	90,000	45%	f)
Repairs and maintenance	115,000		115,000	-	115,000	100%	g)
Development	867,500		867,500	-	867,500	100%	h)
Total Expenditure	5,187,680	0	5,187,680	2,038,700	3,148,980	61%	g)
Surplus for the Period				463,683	- 463,683		
Capital Expenditure							

19. Notes to the Financial Statements

1. General Information

Rhamu Technical and Vocational College is established by and derives its authority and accountability from PFM Act. The Rhamu Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. The Rhamu Technical and Vocational College principal activity is providing Technical 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 Rhamu TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Rhamu TVC. 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.

3. Adoption of New and Revised Standards

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

There are no new and amended standards issued in the financial year 2024/2025

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The standard had no impact in preparation of financial statements
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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. The standard had no impact in preparation of financial statements
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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. The standard had no impact in preparation of financial statements
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

Rhamu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The standard had no impact in preparation of financial statements</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> <p>The standard had no impact in preparation of financial statements</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> <p>The standard had no impact in preparation of financial statements</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> <p>The standard had no impact in preparation of financial statements</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements</p>

Rhamu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. The standard had no impact in preparation of financial statements
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iii. Early adoption of standards

The Rhamu TVC did not early adopt any new or amended standards in year 2025 the Rhamu TVC adopted. The impact of these standards on Rhamu TVC's financial statements is

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 Rhamu TVC 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 Rhamu TVC 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 Rhamu TVC.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **05/04/2025**. 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 Rhamu TVC upon receiving the respective approvals to conclude the final budget. Accordingly, the Rhamu TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The Rhamu TVC is exempt from paying taxes under Income Tax Act cap 470 Section 13(1), Part I of the First schedule (10).

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Rhamu TVC. 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 Rhamu TVC 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 Rhamu TVC 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 Rhamu TVC. 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) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

The Rhamu TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Rhamu TVC 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.

j) 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 Rhamu TVC 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 Rhamu TVC and a financial liability or equity instrument of another Rhamu TVC. At initial recognition, the Rhamu TVC

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 Rhamu TVC 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 Rhamu TVC'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 Rhamu TVC 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 Rhamu TVC classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Rhamu TVC 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 Rhamu TVC 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 Rhamu TVC recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) 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 Rhamu TVC 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 Rhamu TVC will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

The Rhamu TVC creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Rhamu TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Rhamu TVC pays fixed contributions into a separate Rhamu TVC (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.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) 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.

s) Related parties

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

t) Service concession arrangements

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

u) 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.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	2,000,000	1,500,000
Total unconditional Grants	2,000,000	1,500,000
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	2,000,000	1,500,000

7. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Tuition Fees	2,687,680	-
Examination Fees	419,900	-
Total Revenue from The Rendering of Services	3,107,580	-

8. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching and learning materials	290,000	-
Professional and consultancy services	50,000	-
Subscriptions	20,000	80,000
Advertising	15,000	-
Examination fees	326,400	-
Travelling and accommodation	553,705	1,164,200
Fuel and oil	160,000	-
Postage	10,000	-
Printing and stationery	262,100	43,000
Bank Charges	1,495	2,573
Other (TVET @ 100)	-	40,000
Total good and services	1,688,700	1,329,773

9. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	240,000	40,000
Performance and other bonuses	-	21,000
Employee Costs	240,000	61,000

10. Board/Council Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Directors Emoluments	110,000	40,000
Total	110,000	40,000

11. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	532,910	69,228
Total Cash and Cash Equivalents	532,910	69,228

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Equity Bank,	1000284525182	532,910	69,228
Sub- Total		532,910	69,228
b) On - Call Deposits			
c) Fixed Deposits Account			
d) Staff Car Loan/ Mortgage			
e) Others (Specify)		-	-
Grand Total		532,910	69,228

12. Receivables from Exchange transactions

12(a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	2,104,580	-
Total Current Receivables	2,104,580	-

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13. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	X%	X%	X%	X%	X%		
At 1 July 2023	-	68,920,751	-	-	-	-	-	-	68,920,751
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
At 30th June 2024	-	68,920,751	-	-	-	-	-	-	68,920,751
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	68,920,751	-	-	-	-	-	-	68,920,751
Depreciation And Impairment									
At 1 Jun 2023	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 2025		-	-	-	-	-	-	-	-
Depreciation	-	(1,378,415)	-	-	-	-	-	-	(1,378,415)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	(1,378,415)	-	-	-	-	-	-	(1,378,415)
Net Book Values									
At 30th Jun 2024		68,920,751	-	-	-	-	-	-	68,920,751
At 30th Jun 2025		67,542,336	-	-	-	-	-	-	542,336

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by professional valuers on 30/06/2025. These amounts were adopted in the financial statements on 2024/2025.

13 (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
Buildings	68,920,751	(1,378,415)	67,542,336
Total	68,920,751	(1,378,415)	67,542,336

14. Events After The Reporting Period

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

15. Ultimate And Holding Entity

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

16. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Undisclosed and Unsupported Property, Plant and Equipment	<p>Accuracy of Property, Plant, and Equipment Balance Management acknowledges the observation regarding the property, plant, and equipment balance disclosed in the financial statements. The omission of certain assets, including land and furniture and fittings, was due to ongoing verification and valuation processes. Steps are being taken to ensure that all assets are properly accounted for in the financial records.</p> <p>Ownership Documents for Land The college has initiated the process of obtaining and compiling all relevant ownership documents for land. We are engaging with the Ministry of Lands and other relevant authorities to facilitate the documentation process.</p>	Not Resolved	

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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)
		<p>The documents will be availed for review upon completion.</p> <p>Fixed Assets Register Management acknowledges the absence of a comprehensive fixed assets register. Measures are being implemented to update and maintain a complete and accurate register in compliance with the Public Finance Management Regulations. This register will include details such as asset descriptions, acquisition costs, depreciation, and location.</p>		
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Late Submission of the Financial Statements	<p>The delay was primarily due to the following challenges:</p> <ol style="list-style-type: none"> 1. New Institution Status – The college commenced operations in the 2023/2024 financial year, and as a newly established institution, it faced significant operational and administrative constraints. 2. Lack of a Finance Officer – Due to resource constraints, the institution had not been able to recruit a Finance 	Resolved	

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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)
		<p>Officer, which affected the timely preparation and submission of financial statements.</p> <p>3. Absence of a Board of Governors – The appointment of the board is still pending approval by the Ministry of Education. The absence of a board limited the college’s ability to make key financial and administrative decisions, including appointing a Finance Officer.</p>		
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Failure to Prepare Estimates of Income and Expenditure	<p>The institution acknowledges the observation regarding the failure to prepare estimates of income and expenditure. However, the institution currently lacks a Board of Governors (BoG) to review and approve the budget as required. The appointment of a new BoG is pending approval by the Ministry of Education.</p> <p>In the absence of the BoG, management has continued to operate within available resources while ensuring financial accountability. Once the new BoG is in place, the necessary budget estimates will be prepared, reviewed, and approved in compliance with the Public Finance Management Act, 2012.</p>	Resolved	

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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)
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Lack of Internal Audit Department	The institution is newly established and did not have the capacity to employ an internal auditor during the period under review. However, management recognizes the importance of internal audit in strengthening internal controls, risk management, and governance. Plans are underway to establish an internal audit unit as the institution grows and resources allow Until an internal auditor is assigned, the institution will continue working closely with external auditors and relevant oversight bodies to ensure compliance with financial regulations.	Not Resolved	
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Lack of Audit Committee	The College acknowledges the requirement under Section 73(5) of the Public Finance Management Act, 2012, to establish an audit committee. However, the institution has not yet constituted an internal audit unit due to resource constraints and the ongoing process of appointing the new Board of Governors, whose approval is necessary for such a committee. Nonetheless, the College remains committed to ensuring compliance with	Resolved	

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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)
		financial regulations and good governance practices. In the interim, financial oversight is being conducted through existing structures, including periodic external audits and reviews by the relevant government agencies. Efforts are underway to establish an audit committee once the new Board of Governors is in place and the necessary approvals are obtained.		
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Lack of Segregation of Duties	The institution is still new and currently lacks the capacity to employ dedicated staff for the procurement and finance departments. However, plans are in place to establish these departments in the next financial year to ensure proper segregation of duties and strengthen internal controls.	Not Resolved	
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Lack of Key policies and Structures to Support Operation of the College	Management acknowledges the observation regarding the absence of key internal control policies and essential operational departments at the College. Steps are being taken to strengthen the internal control environment and ensure compliance with regulatory requirements as follows:	Not Resolved	

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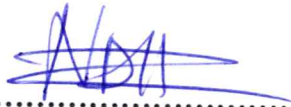
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>1. Development of Key Policies and Manuals: The College has initiated the process of developing a Code of Conduct for Employees, Human Resource Manual, Finance Policy Manual, Risk Management Policy, Disaster Recovery/Business Continuity Plan, and Debt Management Policy. Drafts of some of these policies are currently under review and will be finalized and implemented within the next financial year.</p> <p>2. Establishment of Key Departments: Once the Board of Governors is appointed, the Finance and Procurement Departments will be formally established to enhance financial management and procurement processes in line with regulatory requirements. In the interim, existing staff members have been assigned temporary roles to ensure operations continue while awaiting permanent placements.</p> <p>3. Compliance with Internal Control Standards: The College is working closely with the relevant government</p>		

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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)
		<p>agencies to ensure that all financial and administrative functions align with Public Finance Management Regulations and best practices. Measures such as regular internal audits, segregation of duties, and staff capacity building are being put in place to enhance accountability.</p>		
OAG/GRO/AUD/TVC/MDR/RHAMU/2023/2024 (14)	Lack of Board of Governors	<p>We acknowledge that the college did not have a Board of Governors in place during the year under review, as required by Section 28(1) of the Technical and Vocational Education and Training (TVET) Act, 2013. The delay in appointing a new board was due to the following:</p> <ol style="list-style-type: none"> 1. Board Nomination Process – The institution successfully completed the board nomination process in March 2024 and submitted the names to the Ministry of Education for approval. 2. Pending Appointment by the Cabinet Secretary – Despite timely submission, the appointment of the board members has not yet been finalized by the Cabinet Secretary for Education, leading to the current governance gap. 	Resolved	

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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)
		The institution has continuously engaged the Ministry of Education to fast-track the appointment process. Follow-ups are being made through official correspondence to ensure the board is constituted as soon as possible.		



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Name
Accounting Officer
Mr. Noor Dahiya Hanshi
Date 25/05/2025

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Appendix II: Projects Implemented by Rhamu Technical and Vocational College

Projects

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

Rhamu Technical and Vocational College is not running any development project at the moment

Status of Projects completion

Rhamu Technical and Vocational College is not running any development project at the moment

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Appendix III- Inter-Entity Confirmation Letter

There was no transferring and receiving of fund from other institution.

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Appendix IV: Reporting of Climate Relevant Expenditures

There was no expenditure related to Climate in the FY 2024/2025

Appendix V: Reporting on Disaster Management Expenditure

There was no expenditure related to Disaster Management in the FY 2024/2025

