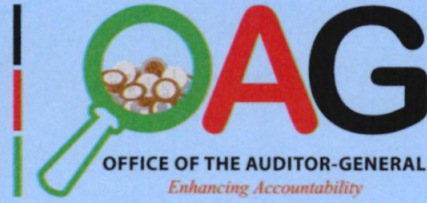


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



PARLIAMENT  
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REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 MAR 2026

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WEDNESDAY

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BY:

LEADER OF MAJORITY PARTY  
HON. OWEN BAYA, MP

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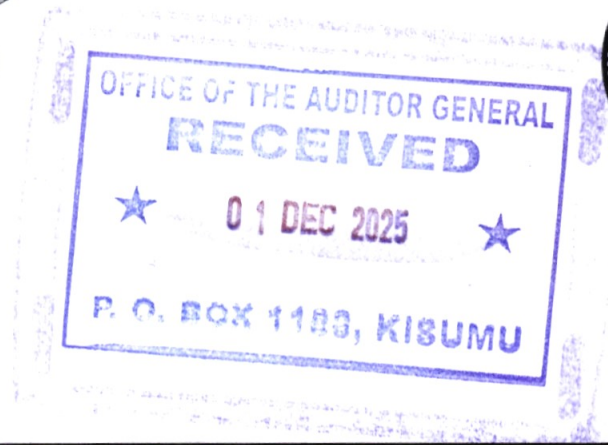
J. LEMERELLE

THE AUDITOR-GENERAL

ON

RAMOGI INSTITUTE OF ADVANCED  
TECHNOLOGY

FOR THE YEAR ENDED  
30 JUNE, 2025



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**RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

**Ramogi Institute of Advanced Technology**  
**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
TVET	Technical Vocational Education and Training
FIRM	Finance, Infrastructure and Resource Mobilization
HELB	Higher Education Loans Board
LVFO	Lake Victoria Fisheries Organization
FAO	Food and Agricultural Organization
NEMA	National Environmental Management Authority
KATTI	Kenya Association of Technical Training Institutions
OSHA	Occupational Safety and Health Administration
EACC	Ethics and Anti-Corruption Commission
PC	Performance Contracting
RIAT	Ramogi Institute of Advanced Technology
KNEC	Kenya National Examinations Council
NITA	National Industrial Training Authority
CDACC	Curriculum Development Assessment and Certification Council
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
P.A.Y.E.	Pay As You Earn
ABDP	Aquaculture Business Development Programme
C.E.O.	Chief Executive Officer

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

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

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

Ramogi Institute of Advanced Technology (RIAT) is a public TVET institution under the Ministry of Education, State Department for Technical Vocational Education and Training. It is one of the pioneer technical training institutions started through community initiatives and was established in 1976. The Institute is mandated to equip artisans, technicians and technologists with relevant employable skills. In accordance with the Technical Vocational Education and Training (TVET) Act 2013, RIAT has a Board of Governors (BOG) appointed by the Cabinet Secretary, Ministry of Education to provide oversight to management. The Principal who is the Chief Executive Officer (CEO) and Secretary to the BOG is assisted by two Deputy Principals, Dean of Students and a Registrar in the day to day running of the Institute. By 30<sup>th</sup> June 2025, the Institute had a total staff complement of 144 trainers and 78 non-teaching staff.

Currently, RIAT has 11 academic departments, i.e., Applied Sciences, Agriculture and Environmental Studies, Building and Civil Engineering, Business Studies, Computing and Informatics, Electrical and Electronics Engineering, Health Sciences, Hospitality and Tourism, Fashion, Design and Cosmetology, Liberal Studies and Mechanical Engineering. In addition to the regular artisan, craft and diploma courses, the Institute also offers a number of short courses. Assessment and certification is done by Kenya National Examination Council (KNEC), National Industrial Training Authority (NITA) and TVET – Curriculum Development Assessment and Certification Council. (CDACC)

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

The principal activity of RIAT is to provide quality and relevant training geared towards entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application within and outside Kenya.

#### **Objectives of RIAT;**

- i. Improve quality and relevance in training
- ii. Increase access and inclusivity in training
- iii. improve governance and accountability
- iv. Manage pertinent and contemporary issues

#### **Vision**

To be a world class technical training, research and innovation institute that responds to market needs.

#### **Mission**

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To produce quality skilled and self-driven technical and vocational graduates with innovative and creative competencies relevant to industrial development

**(c) Key Management**

The Institute's Day to day management is under the following key organs:

- Board of Governors
- Principal
- Top Management
- Academic Committee
- HR and Planning Committee,
- Farm Committee,
- Disciplinary Committee,
- Guidance and Counseling Committee, Asset
- Disposal Committee,
- Time Table Committee and Boarding Committee

**(d) Fiduciary Management**

**(e)** The key management personnel who held office during the period ended June 30<sup>th</sup>, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	CPA Gilbert Gilari Mwavali
2.	Deputy Principal - Administration	Pamela Otieno
3	Deputy Principal - Academics	David Omondi
4	Registrar	Fredrick Kere Omulo
5	Dean of Students	Phenny Adhiambo
6	Finance Officer	George Adero
7	Procurement Officer	Claire Obuolo
8	Human Resource Officer	Anne A. Oukoh

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**(f) Fiduciary Oversight Arrangements**

<b>Board Committee</b>	<b>Members</b>
Finance, Infrastructure and Resource Mobilization Committee	1) Adv. Gabriel Otiende 2) Eng. James K. Opindi 3) M/s Mary Akunja 4) Mr. Clement Odeka 5) Mr. John Awiti 6) Mr. Gilbert Mwavali
Human Resource and Planning Committee	1) Eng. James Opindi 2) Dr. Simon Nyakwara 3) Mr. Gabriel Otiende 4) Mr. John Awiti 5) Mr. Gilbert Mwavali
Audit and Risk Committee	1) M/s Rose Omolo 2) Dr. Teresa Oluoch 3) Ezekiel Odongo
Education, Research & Training Committee	1) M/s Mary Akunja 2) Dr. Teresa Okoth 3) Dr. Simon Nyakwara 4) Mr. Gilbert Mwavali

**(g) Entity Headquarters**  
 Ramogi Institute of Advanced Technology  
 P.O Box 1738-40100  
 Kisumu, Kenya.

**(h) Entity Contacts**

Telephone: (254) 734251622/734257622  
 Email: [riatcollege2015@gmail.com](mailto:riatcollege2015@gmail.com), [info@ramogiinstitute.ac.ke](mailto:info@ramogiinstitute.ac.ke)  
 Website: [ramogiinstitute.ac.ke](http://ramogiinstitute.ac.ke)

**(i) Entity Bankers**

1. National Bank of Kenya  
 P.O. Box 1152-40100  
 KISUMU.
2. Cooperative Bank of Kenya  
 P.O Box 1511-40100

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KISUMU.

3. Equity Bank

P.O Box 3621 - 401000

KISUMU

4. Mobile Money. Pay bill number 3131419

**(j) Independent Auditors**

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(k) Principal Legal Adviser**

The Attorney General

State Law Office





Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

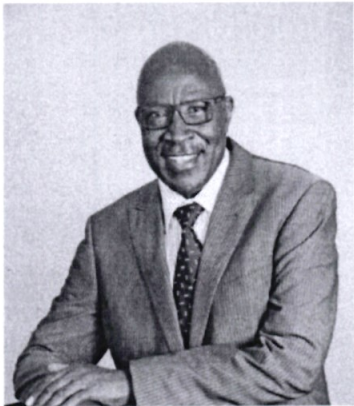
3.The Board of Governors

N o.	Member	Details
1		<p><b>Dr. Lily Kisaka</b> <b>Chairperson</b> <b>Year of Birth: 01/05/1968</b> Dr. Lily Kisaka holds a PhD in Agricultural Economics and post-graduate Diploma in Management of development projects. She has vast knowledge and expertise in programme/project management across the African region and is a natural resource policy and Management specialist</p>
2		<p><b>CPA Gilbert Gilari Mwavali</b> <b>Principal/Secretary to the Board.</b> <b>Year of Birth: 01/01/1971</b> Mr. Gilbert Mwavali holds a Master's in Business Administration from Moi University, a B. Com (Finance) from KCA University and is currently pursuing an MBA (Finance) at Mount Kenya University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) .He has over 26 years teaching /training experience in various administrative positions .He was transferred to Ramogi Institute of Advanced Technology (RIAT) as Principal in February 2024.</p>
3		<p><b>M/s Rose Omollo</b> <b>Year of Birth:29/6/1968</b> Rose holds a Bachelor of Administration (Finance) degree. She is an Accountant with KEMRI and the Chairperson of the Audit and Risk committee of the Board.</p>
4		<p><b>Dr. Simon Nyakwara</b> <b>Year of birth :10/01/1968</b> Dr Simon Nyakwara holds a Doctor of philosophy in Human Resource Management from Mount Kenya University, Masters in Business Administration from Madurai University India, a Post graduate Diploma in Education ( PGDE) from Kenyatta University and a Bachelor of Business Administration and Management</p>

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No.	Member	Details
		<p>from Marathrada University India. Dr. Simon Nyakwara is a highly committed self-driven, result oriented and proactive team player with a cumulative experience of 24 years teaching and research. He has an excellent research training and guidance skills that have enabled him to supervise Masters and PhD students to graduation. Nyakwara has considerable experience working in several management docketts in the University environment, demonstrating his ability to improve and enrich management of higher learning institutions.</p> <p>Dr. Simon Nyakwara is a member of the Human Resource and Planning and ERT Committees of the Board.</p>
5		<p><b>Dr. Teresa Okoth</b></p> <p><b>Year of Birth 1976</b></p> <p>Dr. Teresa Okoth is an educator, researcher, consultant and a Senior Lecturer in curriculum at Masinde Muliro University of Science and Technology. She holds a B.ed (English &amp; Literature) from Moi University, Kenya, Med. (Teacher Education) from the Aga Khan University and PHD, In Educ. (Curriculum Studies) from the University of South Africa-UNISA. She is a career educator with expertise in curriculum development, specifically curriculum design, implementation, assessment, and evaluation. She is currently the Director, Office of Career Services at Masinde Muliro University of Science and Technology-Kenya. She has worked with various governmental and non-governmental organizations to build the capacity of teachers in competency based education and training. Her experience as one of the experts in the development of a Curriculum Framework, Scope and Sequence Charts and Curriculum Designs in Kenyan Competency-based Curriculum has given her an immense knowledge base in curriculum matters and</p>

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No.	Member	Details
		<p>issues thereof, especially in multilingual ESL contexts in Kenya, Uganda and Sudan. She has experience in development of modules and curriculum at university and middle colleges and for multinational organizations. She has worked in Kakuma and Daadab refugee camps in teacher training in education in emergency situations. She is a Teacher Professional Development (TPD) trainer and a mentor for the British Council, mentoring teachers in Action Research in Ethiopia, Nigeria, Sudan and Senegal in English language and gender in education. Dr. Teresa is a member of the Audit and Risk and ERT Committees of the Board.</p>
6		<p><b>Eng. James Caleb K. Opindi</b>  <b>Year of Birth 01/01/1957</b></p> <p>James Khachula Opindi has had an illustrious career in the Energy sector with specialization in oil and gas. He has held positions at Board Executive and Senior management levels at Exxon Mobil, VTTI ( Navgas Ltd) in Nigeria, African Gas and Oil Ltd and Weld –Con Ltd.</p> <p>During his long experience, James has supervised energy related projects in several African countries and supervised SH&amp;E (Safety, Health and Environmental protection) operations while in charge of Africa and Middle East for Exxon Mobil based in Brussels, Belgium. He has a strong and proven record of accomplishment in Engineering, project Management, Oil and Gas operations and SH&amp;E.</p> <p>Eng. Opindi has vast knowledge and broad business experience in matrix and Multifunctional organizations and is a widely acknowledged expert and consultant Born in 1951, he holds a Bachelor of Science degree in Mechanical Engineering from the University of Nairobi. He is also a member of the Institute of Directors of Kenya.</p> <p>Eng Opindi is the chairperson of the Human Resource and Planning Committee and a member of the FIRM Committee.</p>

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No.	Member	Details
7		<p><b>Gabriel Ouma Otiende Advocate, CS (K)</b> <b>Year of birth 21/6/1967</b></p> <p>Adv. Gabriel Otiende holds a Bachelors of Law degree from the University of Nairobi. He has worked in several firms including; 1995 to 2000. He was a private practitioner at Oseko &amp; Co. Advocates, Iseme, Kamau and Maema Advocates.</p> <p>He is the chairperson of the FIRM committee and a member of the Human Resource and Planning committee of the Board</p>


**Ramogi Institute of Advanced Technology  
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No	Member	Details
8		<p><b>M/s Mary Akunja</b> <b>Year of birth: 7/01/1962</b></p> <p>M/s Mary Akunja is a renowned educationist She worked as a classroom teacher, Head of Section and Head of department, Languages. She was a Deputy Principal for six (6) years before being promoted to the position of a Principal. she served as both Senior and Chief Principal for 21 years in St. Alberts' Ulanda Girls, Kisumu Girls' and Bunyore Girls' high schools. Mary served in the Kisumu National Polytechnic Council of the Board and is currently a vice chairperson of Migingo Girls' School Board</p> <p>She is a motivational speaker, a champion of Girl-Child development, an achiever per-excellence and an outstanding team player. She loves working with and for others to achieve desired goals and will stop at nothing to make situations better for others. She is a, mentor of upcoming youth especially through the Soroptimist International Organization –a voluntary organization that empowers young girls and women.</p> <p>Mary Akunja is the Chairperson ERT committee and a member of the FIRM committee.</p>

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No	Member	Details
9		<p><b>Mr. John Awiti.</b>  <b>Year of Birth: 01/02/1957</b></p> <p>Mr John Awiti is a teacher by profession. He was a Chief Principal and National Chairperson of Kenya Secondary Schools Heads Association (KSSHA). Currently he is the County Executive Committee member (CECM) in charge of Education, Technical Training and Innovation and Social services in Kisumu County Government.          John Awiti sits in the FIRM and HR and Planning Committees of the Board</p>

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No.	Member	Details
10		<p><b>Mr. Clement Obure Odeka</b>  <b>Year of Birth 16/5/1967</b></p> <p>Clement Obure Odeka is a highly experienced ICT specialist with a proven track record in implementing several management information systems in public and private sectors. He is an expert in the design, development and implementation of Comprehensive ICT solutions in various fields including Finance, Accounts, Procurement, Security and Health among other areas. He has served in several Ministries in the Kenya Government including Health, Office of the President, Former Ministry of Special programmes, former Ministry of Devolution and Planning and currently, Ministry of Education. He is currently serving as head of ICT in State Department for TVET under Ministry of Education. In addition, he is in several Boards of Universities as a Director of Boards representing the Principal Secretary in charge of Higher Education.</p> <p>Mr . Odeka holds solid academic qualification with a Master’s of Science degree in ICT (Information Systems) and an executive Master’s degree in Public Policy and Administration, a Bachelor of Science degree in Meteorology and Maths. Additionally, he has acquired professional qualifications in Strategic Leadership Management, Project Management, Information security and Networking. He is a member of Professional bodies including Information Communication Technology Association of Kenya (ICTAK) and Computer Society of Kenya.</p> <p>Mr. Clement Obure sits in the FIRM and ERT Committees of the Board.</p>

**4. Key Management Team**


This comprises of the principal and top management that is responsible for the day to day running of the Institute and implementation of key policies passed by the board

<p>1</p>		<p><b>Mr. Gilbert G. Mwavali</b>  <b>Principal</b></p> <p>Mr. Gilbert Mwavali holds a Master’s in Business Administration from Moi University. A B. Com (Finance) from KCA University and is currently pursuing an MBA (Finance) at Mount Kenya University. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) .He has over 26 years teaching /training experience in various administrative positions .He was transferred to Ramogi Institute of Advanced Technology (RIAT) as Principal in February 2024.  He is the Chief Executive Officer of the Institute.</p>
<p>2</p>		<p><b>Mrs Pamellah Otieno</b>  <b>Deputy Principal -Administration</b></p> <p>Ms Pamellah Otieno holds a Masters Degree in Business Administration (Human Resource Management) from The University of Nairobi. She holds a B.Ed (Arts) from Kenyatta University and is a certified Public Secretary with KASNEB’s CPS(K). She also holds a KNEC Higher National Diploma in Human Resource Management. Pamellah is a Certified Psychological Counselor and a Certified (Court annexed) Mediator. She joined TVET in 2005. She has acted in various capacities: Head of Business Department in Siaya Institute of Technology; served for many years in both institutions as Internal ISO Auditor and became a Lead Auditor; Head of Internal Quality Assurance and briefly as Dean of trainees before being appointed Deputy Principal Administration in RIAT.  She is the Deputy principal in</p>

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		charge of administration.
3		<p><b>Mr. David Omondi</b></p> <p><b>Deputy Principal –Academics</b></p> <p>Mr. David Omondi holds a Bachelors of Education degree in Botany and Zoology. He joined TVET in 2008 after having taught in two secondary schools. He is quite conversant with ISO 9001 quality Management Systems having served as a Management Representative (MR) at the Sigalagala National Polytechnic.</p> <p>He is the Deputy principal in charge of academics</p>
4		<p><b>Mr. Fredrick Kerre Omulo</b></p> <p><b>Registrar</b></p> <p>Mr. Fredrick Omulo holds a Bachelor’s of Science degree in Civil Engineering and a Higher National Diploma in Construction</p> <p>He joined Sigalagala Technical Training Institute in 2010 after working in the construction industry.</p> <p>He served as the departmental examination Officer and Deputy Head</p>


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		<p>of Building and Civil Engineering Department at Sigalagala Technical Training Institute.</p> <p>Mr. Omulo joined Ramogi institute of Advanced Technology (RIAT) in 2015. He has served as the departmental Examination Officer in the Building and Civil Engineering Department prior to his appointment as Registrar. He is the Registrar in charge of trainees registration</p>
5		<p><b>Mrs. Phenny Adhiambo Oketch Dean of trainees</b></p> <p>Phenny holds a Master of Science in Agricultural Education, from Kisii University, Bachelor of Science degree in Agricultural Education and Extension from Egerton University with 1<sup>st</sup> class honours, Diploma in Education Science Agriculture/ Chemistry from Kagumo Teachers College with Distinction. She has acquired certifications in Teaching for Climate Action (TCA), Peer to peer coaching , Facilitating Using Power point by KSTVET, Development of Learning Guide and Training program by TVET/CDAAC, Introduction to Molecular Biology and Bioinformatics ,Inclusive Teaching and Learning , Advanced Cyber Security Training for Teachers, Cybersecurity Training for Teachers, and Introduction to Technology-Enabled Learning. She was first employed in the year 2008 by TSC and transferred to PSC in the year 2018. She has served as CBET champion and also as deputy dean of trainees before prior to her appointment as Dean of trainees. She is in charge of trainees affairs</p>

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6		<p><b>M/s. Anne Oukoh</b></p> <p><b>Human Resource Officer</b></p> <p>Anne holds a Bachelor of Business Management degree in Human Resource Management, CHRP II and Higher National Diploma in Human Resource. She also holds a Diploma in Technical Education, Accountancy.</p> <p>Anne worked as a high school bursar from 2011 to 2012 before joining Sigalagala Technical Training Institute as a Trainer. She joined RIAT in 2021 as Human Resource Officer. She is in charge of human resource issues</p>
7		<p><b>M/s. Clare Obwolo</b></p> <p><b>Procurement Officer</b></p> <p>Claire holds a Bachelor's degree in Logistics and Supply Chain Management and a Diploma in Purchasing and Supplies Management. She is in charge of procurement issues</p>

8		<p><b>Mr. George Adero</b></p> <p><b>Finance Officer</b></p> <p>Holder of Bachelors of Commerce (Finance Option) from the Catholic University of Eastern Africa and Masters of Business Administration (Finance Option) from Jomo Kenyatta University of Agriculture and Technology. Certified public accountant of Kenya (CPA (K) with work experience of over 18 years in the Public sector.</p> <p>Prior to joining public sector, worked with Majimba associates audit firm as assistant tax consult from the year 2004 to 2006.</p> <p>Worked with Pixel Printers for 3years as a management accountant before joining High school as a Bursar until December 2012 after which Joined the Institute as a finance officer. In charge of financial matters of the Institute.</p>
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## **5. Chairman’s Statement**

It is my honour to present this report on behalf of the Board of Governors, highlighting the key developments, achievements, challenges, and strategic direction of the Ramogi Institute of Advanced Technology (RIAT) for financial year 2024/2025.

RIAT has continued to make significant strides in fulfilling its mandate of providing quality technical and vocational education and training (TVET), even as we navigate a rapidly evolving educational and socio-economic landscape.

### **Key Activities and Achievements**

**Ramogi Institute of Advanced Technology**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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During the year, RIAT undertook a number of transformative initiatives, with a particular focus on aligning its training and service delivery to national development goals (BETA-Bottom Economic Transformation Agenda) and industry needs. Among the key highlights:

- **Rollout of the Modularized Curriculum:** In line with TVET reforms and the Competency-Based Education and Training (CBET) framework, RIAT successfully commenced the implementation of the modularized curriculum across various departments. This shift enables more flexible, skills-based training and provides trainees with multiple entry and exit points, enhancing inclusivity and responsiveness to the labour market.
- **Implementation of Presidential Directives:** The institution aligned its priorities with Presidential directives geared towards youth empowerment, skills development, industrial transformation and national tree growing initiative. RIAT has actively participated in national TVET campaigns and initiatives aimed at positioning technical training as a cornerstone of Kenya's development agenda.
- **Recognition of Prior Learning (RPL):** RIAT has taken key steps in operationalizing RPL, providing opportunities for skilled individuals particularly from the informal sector to have their competencies assessed, recognized, and certified. This initiative promotes inclusivity, equity, and life-long learning, and supports the national agenda of upskilling and formalizing the workforce.
- **Institutional Strengthening:** Significant efforts were made in upgrading infrastructure, enhancing staff capacity through training, and strengthening collaborations with industry and development partners. These efforts are geared towards improving the quality and relevance of training.
- **Student Engagement in Sports and Co-Curricular Activities:** The Institute actively supported student participation in a wide range of co-curricular and sporting events at regional and national levels. Our teams showcased commendable performance in athletics, football, netball, music, drama, and innovation expos. These activities play a vital role in nurturing leadership, discipline, teamwork, and talent development among our students.

### **Challenges**

While we celebrate our gains, we remain aware of the challenges that continue to impact our operations:

- **Inadequate Funding:** Budgetary constraints remain a major barrier to expanding infrastructure, acquiring modern equipment, and sustaining key programs.
- **Human Resource Limitations:** There are notable staffing shortages in specialized technical areas, and recruitment delays hinder program expansion and delivery.

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- **Aging Infrastructure and Equipment:** Much of the training infrastructure and equipment is outdated, making it difficult to meet the standards of modern industry practice.
- **Student Financial Constraints:** A significant number of trainees face difficulties in paying tuition fees, which affects retention and completion rates. This also places strain on the institution's internally generated revenue streams.
- **Limited Industry Linkages:** While progress has been made, stronger collaboration is still needed between RIAT and industry players to support industrial attachment, curriculum development, and job placement.
- **Slow Adoption of ICT and Digital Systems:** Digital transformation is essential, yet the uptake of ICT-based teaching, administration, and student services remains slow due to capacity and infrastructure gaps.
- **Regulatory and Policy Adjustments:** Frequent changes in national education policy and regulatory frameworks require continuous institutional realignment, which can disrupt long-term planning.
- **Delayed Disbursement of Government Capitation:** Inconsistencies in the disbursement of government funds, including capitation for students, have affected budget execution and program implementation.
- **Budgetary constraints remain** a major barrier to expanding infrastructure, acquiring modern equipment, and sustaining key programs.

As we look ahead, the Board is committed to steering the institution through a path of innovation, growth, and greater societal impact. Our priorities include:

- Deepening the rollout of the **CBET modularized curriculum** and expanding **Recognition of Prior Learning** to reach more beneficiaries.
- Aligning closely with national and Presidential directives, especially those targeting youth employment, digital skills, and industrial development.
- **Enhancing resource mobilization** efforts to support infrastructure development and capacity building.
- **Strengthening governance and accountability mechanisms** to ensure efficient service delivery.
- **Increasing support for sports and co-curricular activities** to promote holistic student development, talent nurturing, and mental wellness. Plans are underway to improve sporting facilities and expand participation in national competitions.

In conclusion, I extend my sincere gratitude to the entire RIAT community, the management, staff, trainees, partners, and stakeholders for their unwavering support and dedication.

The Board remains fully committed to supporting the institution's vision of becoming a center of excellence in technical and vocational education.

**Ramogi Institute of Advanced Technology**  
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Signed,

  
**Dr. Lily Kisaka**

Chairperson, Board of Governors

**Ramogi Institute of Advanced Technology (RIAT)**

## **6. Report of the Senior Principal**

It gives me great pleasure to present the Principal's Statement for the **Ramogi Institute of Advanced Technology (RIAT)** for the financial year **2024/2025**. This report outlines key institutional achievements, ongoing reforms, challenges encountered, and the strategic direction that will guide our future operations. Our collective commitment remains rooted in delivering high-quality, inclusive, and industry-aligned technical and vocational education and training (TVET) that responds to Kenya's development priorities.

This has been a year of dynamic change. Against the backdrop of national policy shifts, economic challenges, and rapid technological advancements, RIAT has remained focused on implementing meaningful reforms, enhancing trainee outcomes, and expanding access to opportunity through skills development.

### **Academic and Training Programs**

#### **Implementation of the Modularized Curriculum**

In alignment with the TVET Competency-Based Education and Training (CBET) reforms, RIAT successfully rolled out and is implementing the modularized curriculum across all departments. This approach promotes outcome-based, flexible learning, with multiple entry and exit points that cater for diverse trainee needs.

The CBET model has enhanced industry relevance, enabled continuous assessment of competencies, and improved curriculum responsiveness. RIAT human resource underwent targeted training in curriculum delivery and trainee assessment. The modularized system has also supported improved retention, especially among trainees who are already in the industry and those in short-term skills programs.

#### **Recognition of Prior Learning (RPL)**

RIAT operationalized the Recognition of Prior Learning (RPL) framework, a critical tool for skills validation and workforce formalization. RPL assessments were piloted in technical areas such as Building Technology, Electrical Installation, and Fashion Design. The RPL Centre is now functional, with trained assessors and guidelines in place, and have been provisionally approved by the TVET Authority. This initiative has already benefitted skilled artisans, empowering them with formal certification and increased access to employment and entrepreneurship.

### **Infrastructure and Institutional Development**

#### **Physical Infrastructure**

Renovations were carried out in selected workshops and classrooms to support competency-based training. Construction of a new, multi-purpose classroom block with digital integration features commenced and is set to be completed in the upcoming year.

### **Tools and Equipment**

## **Ramogi Institute of Advanced Technology**

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New training equipment was procured for Automotive Engineering, Electrical, and Hospitality departments. Despite this progress, gaps remain particularly in emerging technologies such as robotics, CNC machining, and green energy systems.

#### **Human Resource Capacity**

A total of **150 staff members** benefitted from professional development initiatives. These included pedagogical training, curriculum delivery in CBET, ICT integration, and leadership development. However, the institution continues to face staffing shortages in technical disciplines, and delays in the recruitment process have hampered efforts to expand program delivery.

#### **Digital Transformation and ICT Integration**

Digitalization remains a central pillar of RIAT's modernization agenda. Major developments in the ICT space this year included:

##### **Jitume Digital Program**

The Institute successfully launched the **Jitume Digital Program**, a national initiative aimed at equipping youth with digital and online work skills.

Key milestones included:

- **Trainer Capacity Building:** ICT department trainers were taken through comprehensive Jitume training to deliver digital literacy, freelancing, and ICT entrepreneurship modules.
- **Policy Development:** A formal Jitume implementation policy was developed to guide governance, operations, and trainee participation.
- **Jitume Lab Setup:** A modern ICT lab was established and equipped with **VDU (Virtual Desktop Utility) computers**, high-speed internet, and secure access systems. The lab currently supports over 300 trainees engaged in digital learning and remote work training.

##### **Other ICT Advancements**

- A new **Online Student Management System (OSMS)** was implemented to manage admissions, fee payments, and student records.
- E-learning platforms such as Moodle and Google Classroom were adopted for blended learning.
- Academic staff were trained in digital teaching methods and content development.

While these initiatives mark significant progress, there remains a need to enhance digital infrastructure in other departments and improve network stability to ensure full integration of ICT in teaching and administration.

#### **Student Life and Co-Curricular Development**

RIAT continues to promote a holistic student experience through vibrant co-curricular and extra-curricular programming. Highlights from the year include:

- **Regional Success in Sports:** Our football and athletics teams qualified for the regional finals during the KATTI Games.
- **Cultural Participation:** The music and drama clubs represented the Institute at the national level with notable performances.

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- **Innovation Recognition:** Student innovators showcased projects in smart agriculture and sustainable energy during the National TVET Innovation Week.

Plans are in place to enhance student wellness, renovate sporting facilities, and introduce structured mentorship programs in the coming year.

### Partnerships and Industry Linkages

We made important strides in strengthening institutional partnerships:

- **MoUs signed with industry players** such as Kenya Power and KENGEN for training support and attachments.
- **Small and medium enterprises (SMEs)** provided internship placements and participated in curriculum review processes.
- **Development partners** supported youth-focused digital skills training and equipment acquisition.

Moving forward, we aim to deepen these partnerships through research collaboration, graduate tracking, and joint innovation initiatives.

### Financial Performance Overview

RIAT's financial performance in 2024/2025 reflected the broader economic climate and education funding landscape:

- **Government Capitation:** Delays and inconsistencies in disbursement affected program implementation and budget absorption.
- **Internally Generated Funds (IGF):** Income from tuition fees declined due to economic hardship among students, resulting in shortfall in projections.
- **Development Partner Funding:** Accounted of the capital budget, primarily supporting ICT upgrades and training.

To ensure long-term sustainability, we are exploring diversification through short courses, consultancies, and project-based income generation.

### Strategic Outlook

As we enter the next phase of growth and reform, our strategic priorities will include:

- Expanding CBET and RPL rollout across all departments.
- Deepening digital transformation, especially under the Jitume Program and broader ICT access.
- Strengthening human resource capacity and addressing staffing gaps.
- Enhancing infrastructure and equipment modernization to align with emerging industry trends.
- Broadening industry collaboration for training, innovation, and job placement.
- Promoting student leadership, mental wellness, and co-curricular excellence.

### Strategic goals

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As we peruse the above strategic priorities we shall align them to the following strategic goals:

- v. Improve quality and relevance in training
- vi. Increase access and inclusivity in training
- vii. improve governance and accountability
- viii. Manage pertinent and contemporary issues

**Conclusion**

In conclusion, I wish to express my sincere appreciation to the Board of Governors, academic and non-academic staff, trainees, parents, industry partners, and the Ministry of Education for their unwavering support.

As an institution, we remain steadfast in our mission to empower youth through relevant, hands-on technical training. Together, we will continue to position RIAT as a **centre of excellence in technical and vocational education** and a key contributor to Kenya's technological, social and economic transformation.

Signed,



**Mr. Gilbert G. Mwavali**  
**Principal**  
**Ramogi Institute of Advanced Technology (RIAT)**

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**7. Statement of Performance against Predetermined Objectives**

RIAT has 4 strategic issues within the current Strategic Plan for the FY 2022-2027. These strategic issues are as follows:

- SI 1 - Quality and relevance
- SI 2- Access and inclusivity
- SI 3- Governance and accountability
- SI 4- Pertinent and contemporary issues

RIAT develops its annual work plans based on the above 4 strategic issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. RIAT achieved most of its performance targets set for the FY 2024/2025 period for its 4 strategic issues as indicated in the diagram below:

Strategic issues	Objective	Key Result Areas	Outcome	Outcome Indicator
SI 1 - Quality and relevance	SO1.1 To provide adequate and competent trainers	KRA1: Trainers Management	Improved trainer-trainee ratio	Trainer-trainee Ratio improved from 1:30 to 1:17
	SO1.2 To provide adequate and competent trainers	KRA 2: CBET implementation and assessment	Improved competence rate	Trainee competence rate improved from 52% to 67.55%
			Increased employability of Graduates	Number of graduates on employment and self-reliance improved from 1754 to 2000
	SO1.3 To provide adequate and competent trainers	KRA 3: Research and innovation	Innovation and Research extended and published	innovations proceeding to national TVET fairs improved to 4
				Number of research publications from 2 to 5

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SI 2- Access and inclusivity	S.O.1.1: To provide adequate infrastructure	KRA1: Infrastructure development	Increased infrastructural trainee capacity	Constructed one fishery laboratory
	S.O.2.1: To improve trainees access to financial support services	KRA2: Financing and support services	Increased trainee retention rate	Helb desk created to assist trainees in application for capitation and bursaries
	S.O.2.2: To strengthen affirmative action for the vulnerable		Improved Female: Male enrolment ratio	Female: Male enrolment ratio also improved
			Increased enrolment of PWDs	In progress
SI 3- Governance and accountability	SO.1.1: To Mobilize and enhance prudent use of financial resources	KRA 1: Financial resource management	Increased Revenue  Compliance with PFM Act enhanced	Percentage increase in Revenue by 66%  The Institute is yet to be audited

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	SO.1.2: To Strengthen Board of Management	KRA2: Governance and Institutional capacity development	Improved institutional governance	Board evaluation score
	SO.1.2: To Strengthen management and administrative structures	KRA3: Policy frameworks implementation	Improved institutional management	Absorption rate of allocated funds to 75%
	SO.1.3: To ensure sustained compliance with applicable laws, regulations and standards	KRA4: Trainee welfare	Compliance to policy and legal frameworks	Percentage compliance to policy and legal frameworks at 100%
	SO.1.4: To provide trainees with adequate support services	KRA4: Trainee welfare	Satisfaction level of trainees	Percentage of trainees satisfied
	SO.1.5 To improve security and safety at the institution	KRA5: Security and safety	Security and safety enhanced	percentage of security report recommendations implemented
	SO.1.6.: To enhance			

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	organisational visibility	KRA 6: Image and corporate identity	Improved visibility and perception	Number of marketing activities
SI 4- Pertinent and contemporary issues	SO.1.1: To mainstream environmental conservation measures  SO.2.1: To mainstream contemporary social issues in the operations of the institute	KRA1: Environmental conservation  KRA 2: Social Issue	Increased environmental sustainable practices  Sustained knowledge and awareness of social issues	Planted trees  Percentage adherence to relevant policies on social issues

## **8. Corporate Governance Statement**

### **i. Appointment of Board members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter**

Ramogi Institute of Advanced Technology (RIAT) is governed by a Board. The Board membership comprises Nine (9) members; Chairman, Secretary and six (6) members. These members will appoint among themselves, the Board Chair and members of the respective functional committee as need arises. The Principal is the Secretary to the Board. Board members were appointed by the Cabinet Secretary Ministry of Education on 2023. The recruitment to Board membership is through headhunting, recommendations by management, Staff, other board members, interviews and consensus among other board members.

### **Board Diversity**

The membership comprises;

- a) A Chairperson
- b) A representative of the PS in the ministry responsible for Technical and Vocational Training
- c) Six other persons appointed on the basis of their knowledge and experience in
  - i. Leadership and management
  - ii. Financial Management
  - iii. Technology
  - iv. Industry
  - v. Engineering
  - vi. Law

### **Board Charter**

The Board Charter for the Institute was approved 10<sup>th</sup> June, 2022. The Charter outlines powers and responsibilities of the Board and its members, appointment, remuneration, term of the Board members, Board Practices and procedures, Board Documents and information, performance and evaluation of Board Members Management reporting among others

### **ii. Roles and functions of the board**

- i) Oversee the conduct of educational and training at RIAT in accordance with the provision of the TVET Act and any other written law.
- ii) Promoting and maintaining standards, quality and relevance in education and training in RIAT
- iii) Administer and manage the property of the institution
- iv) Develop and implement RIAT Strategic Plan

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- v) Receiving on behalf of the institutions fees grants subscriptions, donations, bequests or other monies to make disbursement to the institution or other bodies or persons
- vi) Developing the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act.
- vii) Mobilizing resources for the institution
- viii) Developing and reviewing programmes for training and to make representatives thereon to the Board.
- ix) Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provision of this Act
- x) Approving collaboration or associations with other Institutions and industries in and outside Kenya subject to prior approval by the cabinet secretary
- xi) Recruiting and appointing trainers among professionals and practicing trades persons in relevant sectors of industry.
- xii) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions in consultation with the Authority
- xiii) Making regulations governing institution conduct and discipline of the staff and students
- xiv) Preparing comprehensive annual reports on all areas of their mandate, including Education and Training services and submit the same to the Cabinet Secretary
- xv) Providing for the welfare of the students and staff of the institution
- xvi) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution
- xvii) Discharging all other functions conferred upon it by this Act or any other written law

**iii. Induction, training, and development**

Trainings are conducted to equip board members with knowledge required to effectively discharge their responsibilities. Capacity building was conducted for 3 days in Busia Town, from 30<sup>th</sup> April to 2<sup>nd</sup> May 2025.

**iv. Board and members performance**

The performance of the Board and its members is evaluated on a regular basis. During the 2024/2025FY, a representative from the Directorate of Technical Education undertook the Board evaluation. This was aimed at enabling the Board and its members to gauge their performance and identify areas of improvement.

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**v. Number of Board meetings held and the attendance to those meetings by members**

During the year the FY2024-2025, the board and its committee held meetings as summarized below.

<b>Name</b>	<b>Full Board</b>	<b>ERT Committee</b>	<b>HR Committee</b>	<b>FIRM Committee</b>	<b>ARC Committee</b>
Dr.Lily Kisaka	6/6				
Dr.Simon Nyakwara	6/6	4/4	4/4		
Eng.James Opindi	6/6		4/4	5/5	
Mrs.Mary Akunja	6/6	4/4		5/5	
Mr.Clement Odeka	6/6	<sup>3</sup> / <sub>4</sub>		5/5	
Adv.Gabriel Otiende	6/6		4/4	5/5	
Mr.John Awiti	6/6		4/4	5/5	
Dr. Theresa Okoth	6/6	4/4			4/4
Mrs Rose Omollo	6/6				4/4

\*There were two special meetings for the full board and one special committee for the FIRM

**vi. Succession plan**

Board members were appointed by the Cabinet Secretary Ministry of education on 2023 for a period of three years after which some members will vacate while others remain for succession planning.

**vii. Policy to manage conflict of interest.**

If a member is directly or indirectly interested in any contract, proposed contract or other matter before a Board of Governors and is present at a meeting of the Board of Governors at which the contract, proposed contract or other contract or other matter is the subject of consideration, he/she shall at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of or vote on any questions with respect to the contract or other matter to be counted in the quorum of the meeting during the consideration of the matter. A disclosure of interest made under this paragraph is recorded in the minutes of the meeting at which it is made.

**viii. Board remuneration**

Remuneration of Board members is determined by the Cabinet Secretary Ministry of Education. Currently board members are paid sitting allowances at Kshs 20,000 per sitting with Chairperson at Kshs 25,000 plus Honorarium of kshs 60,000 per month, transport refunds capped at Kshs 14000 and depends from where the board members is coming from, DSA and airtime whenever virtual meetings are held.The Board keeps track of the expenditure of the

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meetings of the Board and its committee and ensures that these do not exceed 5% of the recurrent expenditure of the Institution.

**ix. Ethics and Conduct**

The Chairperson guides the process of the meeting. It is the responsibility of the Chairperson to take measures to ensure that the proceedings are kept fair, civil and orderly. The following procedural guidelines are observed;

- a) The Chairperson satisfies him/herself that the meeting was duly convened and is quorate at all meetings.
- b) The discussion follows the sequences as of the agenda as adopted
- c) Discussion at each stage is normally the item under consideration
- d) The Chairperson signals the end of a discussion and sums up the sense of the meeting so that a suitably worded decision or conclusion is formulated for inclusion in the minutes
- e) That Chairperson signals when a member may speak

**Courtesy**

There are common rules of courtesy which the Board members observe and these include; punctuality, use of mobile phones and apologies, etc.

**x. Governance audit**

Governance audit is done annually by the parent Ministry on the following areas;

- i. Leadership and strategic management
- ii. Transparency and disclosure
- iii. Compliance with laws and regulations
- iv. Communication with stakeholders
- v. Board independence and governance
- vi. Board systems and procedures
- vii. Consistent shareholder and stakeholders value enhancement
- viii. Corporate social responsibility and investment

**xi. Communication policy**

The board ensures clear and accurate communication in time. Notices and Agenda of meetings are circulated in time 14 days prior to the meeting.

**xii. Terms of Reference of Committees**

The Board has constituted four committees with clearly defined terms of reference under individual committee's charters. Appointment to a committee is done with consideration of member skills and experience. Committee act on delegated authority from the board.

**xiii. Policy on related party transactions**

Related party transactions are declared annually by the board.

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**9. Management Discussion and Analysis**

**i) Operational and financial performance of the organisation during the period**

<b>Item</b>	<b>Budget</b>	<b>Actual</b>	<b>% Utilization</b>	<b>Remarks</b>
Transfers from othe National Govt	201,096,900	97,863,426	49	The government grants dwindled as a result of cash flow challenges cited by the National Treasury
Grants from donors and development partners	6,000,000	22,272,129	371	Development partner for Mastercard foundation increased funding compared with the budget
Rendering of services-fees from students	74,130,000	98,605,440	133	Strategies were put to collect fees on students obligations including assisting them to apply for other funds available
Sales of goods	22,400,000	8,246,027	37	Generally Income generating activity did not pick up well
Rental revenue from facilities and equipment	1,128,000	3,015,871	267	Exceeded the target as a result of hiring gowns to other sister Institutions
Finance Income	8,032	8,032	100	
Miscellaneous income	286,560	284,560	99	
<b>Total Receipts</b>	<b>305,049,492</b>	<b>230,295,485</b>	<b>75</b>	
<b>Payments</b>				
Use of goods and services	132,037,592	160,022,970	121	Use of goods and services include pending bills payment of Kshs 46,955,550.
Employee costs	42,959,648	36,673,418	85	
Board Expenses	9,333,700	8,491,698	91	
Repairs and Maintenance	29,000,000	3,954,704	14	Repairs and maintenance was low because of cash flow

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				challenges
Contracted Services	10,000,000	3,328,000	33	Contracted services was low because of cash flow problems
Capital Expenditure	81,718,552	16,786,045	21	Capital expenditure was low because of cash flow problems
Total Payments	<b>305,049,492</b>	<b>229,256,835</b>	75	
Surplus	-	<b>1,038,650</b>		

**ii) Entity's key projects or investments decision implemented or ongoing**

The board did not incur any expenditure on projects as a result of cash flow challenges.

**iii) Compliance with statutory requirements**

To the best of our knowledge, the board complied with all statutory requirements and remitted the following dues in time.

- a. SHA
- b. PAYE
- c. Housing levies
- d. Nita Levies
- e. HELB dues

**iv) Major risks facing the organisation**

Major risks facing the Institutes are market risk, liquidity risk and credit risks. Market risk is likely to affect enrolment due to competition from other colleges offering similar courses. Liquidity risks as a result of dwindling school fees and government grants affecting the flow of cash flows and finally credit risk as a result of accumulating huge balances from the trainees

**v) Material arrears in statutory and other financial obligations**

The board reported a pending bill of **Kshs 56, 058,219** as at the end of the financial year on 30<sup>th</sup> June 2025

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability Strategy and Profile**

#### **Sustainability Efforts**

RIAT continues to enrol more trainees as others exit. The institute assist trainees get funding through HELB and Government Scholarship. The Institute is also guided by a five year strategic plan from 2024-2029 and adheres to austerity measures as advised by the National Treasury from time to time.

#### **Political and Macroeconomic affecting Sustainability priorities**

RIAT adheres to all the new government policies all the time they arise. The welfare of the staff and trainees are observed. RIAT collaborates with the community and other stakeholders.

#### **Key achievements in the year 2024/20245FY include:**

- i. Increased enrolment
- ii. A laboratory, computer and other equipment for the Fisheries section in Agriculture Department.

#### **Challenges in the year 2024/20245FY include:**

- i. Fees collection as government funding continues to dwindle and there is delay in disbursement of government grants.
- ii. Inadequate infrastructure (Training rooms, Workshops, Hall etc.)
- iii. Land encroachment
- iv. Challenges of fee collection
- v. Inadequate Human Resource

### **Environmental Performance**

The institute is guided by the National Environment Policy (2013). The Institute also closely collaborates with the National Environment Authority (NEMA) and follows its set guidelines for infrastructural development. The institute has not yet created a policy for environment and waste management. RIAT has planted 6,350 trees in collaboration with other stakeholders and partners in the year 2024/2025.

RIAT has embraced a sustainable environmentally friendly water management and sanitation services of faecal de-slugging, odour eradication and organic composting of biodegradable waste using a harmless biological technology. Waste disposal points are marked out clearly, and dustbins are also located strategically within the compound. Currently biodegradable wastes are collected and disposed separately from non-biodegradable wastes. The biodegradable wastes including kitchen waste are decomposed into compost manure using EM -1 bacteria that enhances complete decomposition within the shortest period. The technology is cost effective. The indirect benefits

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include health improvement (reduces need for medication) benefits from recycled products (soil conditioners, fertilizer and reclaimed water).

### **Employee Welfare**

In the RIAT Human Resource Policy and Procedure Manual Section B subsection 2.2. to 2.2.16 give guidance on recruitment and appointment. Section 2.3, subsection (2) explains the clause on gender ratio. It states that the institute will endeavour to have a gender balanced staff by ensuring that not more than 2/3 of positions in its establishment are filled by either gender. During advertisement processes the institute ensures that wide range of people are reached which takes into consideration the stakeholders' engagement in the recruitment process.

Section H of the human resource policy and procedure manual outline the processes of training and development which entails training needs assessment, training programs, induction training, eligibility for training , training approval and workshop retreat and conferences which helps staff to improve skills and develop their careers.

Section G of the Human Resource Policy and Procedure Manual outlines the processes of Performance Management which includes Strategic Planning, Staff Performance System, Performance Measurement and Rewards and Sanctions which includes promotions, recognition, financial and non-financial incentives.

RIAT is OSHA compliant since it has been registered as a workplace by Directorate of Occupational Safety and Health (DOSH). Section F of the Human Resource Policy and Procedure Manual outline work environment health and safety and procedures to follow as per OSHA and Work Injury Benefit Act (WIBA).

### **Market place practices**

The organisation should outline its efforts to:

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

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RIATs is a corruption free zone, and it remains committed to curbing the vice. Students and staff are allowed to do public participation both internally and for the county program-based budgets and national public participation activities.

RIAT is still dedicated to promoting local content in her procurement procedures and gaining access to government procurement opportunities. The Board sets aside 30% of all purchases for women, youth, and people with disabilities (PWDs), and an additional 2% is reserved specifically for PWDs. When analyzing and awarding contracts, RIAT adheres to all established rules and publicizes all tenders.

With explicit instructions on upholding moral community values, RIAT programs are promoted on her website and in print and digital media.

In every aspect of her operations, RIAT upholds the four consumer rights. Service delivery charters are openly displayed at each service counter, inquiries are handled by an inquiry desk, and complaints and compliments are handled by a desk for individuals who wish to voice grievances or express compliments. There is a complaints hotline available for anyone who wants to call. The institution currently developed a safeguarding policy to protect health, well-being and human rights of all, young persons or adults in the institute, from abuse such as neglect, emotional, physical and or sexual exploitation by staff, volunteers and associated personnel.

### **Education**

RIAT has continually admitted trainees from diverse backgrounds. The institution has established a permanent HELB desk from mid last year to help assist trainees apply for HELB loans and government scholarship (KUCCPS) free of charge. The institute also writes recommendation letters to needy trainees which they can submit to their respective wards and constituencies for consideration for NG -DCF bursary ward. These measures have enabled trainees secure funding to continue with their education. Hence made it easier for individuals from various backgrounds to obtain awards in various disciplines and develop their abilities.

### **Sports**

RIAT participates in competitive sports within the institute through interdepartmental ball games and athletics. The institution also participates in KATTI tournaments organized the course of the year and friendly matches with partner institutions. Furthermore, RIAT participates in creative arts such as music and drama among others. These sporting activities help enhance and nurture the gifts of trainees.

### **Healthcare**

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To serve students and staff, RIAT has set up an operational clinic with a Certified Clinical Officer and Nurse as staff. Additionally, the Institute has an efficient Guidance and Counselling unit that supports Universal Health Care initiatives. STI rates have dropped because of these initiatives, which have also raised general health awareness, enhanced health awareness, and improved both physical and mental health within the Institute.

**Labour relations**

RIAT complies with the Labour Relation Act 2007 by ensuring:

- Workplace safety to its workers.
- Proper remuneration as per the minimum wage
- Rights to join trade union
- Strategic dispute resolution processes and conflict management procedure
- Observing rights and freedom of employees
- No discrimination against staff during HR processes and presence of affirmative action (PWDs)

**Staff Training And Development**

RIAT ensures training and development of its staff through carrying out training needs assessment, skills gap analysis, training programs, induction training, eligibility for training, training approval and workshop retreat and conferences which helps staff to improve skills and develop their careers. The training programmes are tailored in a way that meets the professional requirements of those registered with professional bodies and also helps improvement of productivity at RIAT.

**Water and sanitation initiatives**

RIAT provide wholesome clean water for its staff and trainees, these are done through Kisumu Water and Sewerage company (KIWASCO) which has water reservoirs within the institute, harvested rainwater and a borehole.

The institute has ensured that every building within the compound has both male and female washrooms as well as pit latrines and ablution blocks away from the buildings.

To take care of sanitation in the hostels there is provision of sanitation services for ladies.

Currently the institute is using EMI bacteria for sewer treatment.

**Corporate Social Responsibility /Community Engagements**

As part of CSR the Institute trained a total of 28 boda boda operators and small business owners on basic financial concepts and principles of business records management at RIAT junction. The participants gained increased understanding of financial terminologies and principles. Skills to maintain accurate and organized records.

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The institute also trained a total of 50 youths. 30 Local service providers (LSPs) and 20 young farmers on fish cage farming. It donated a cage to the young farmers, which they stocked with 30,000 fingerlings in October 2024, hence creation of dignified jobs for the farmers.

Furthermore, the institute has been carrying out community cleaning exercises within Kisumu County. These include cleaning of Nyahera Health Centre, Tieng're market and Jaramogi Odinga sports Complex by the Scouts club.



**Figure 1:** Mr. David Omata explaining concepts of record keeping at RIAT junction



Figure 2: Young farmers mentored by RIAT stocking cage with fingerlings



Figure 3: RIAT trainees undertaking community cleaning exercise



**Figure 4:** Principal RIAT lead other stakeholders in planting trees

## 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 *entity's* affairs.

### Principal activities

The principal activities of the entity are to provide vocational and technical training for self-reliance to graduates of secondary and primary schools to enable them enter the global world of work

### Results

The results of the entity for the year ended June 30 are set out on page 1-47

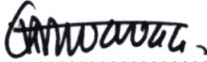
### Board of Governors

The members of the Board who served during the year are shown on page vii-xiii.

### Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or any Certified Public Accountants nominated by the Auditor General to carry out the audit of the *entity* for the 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.

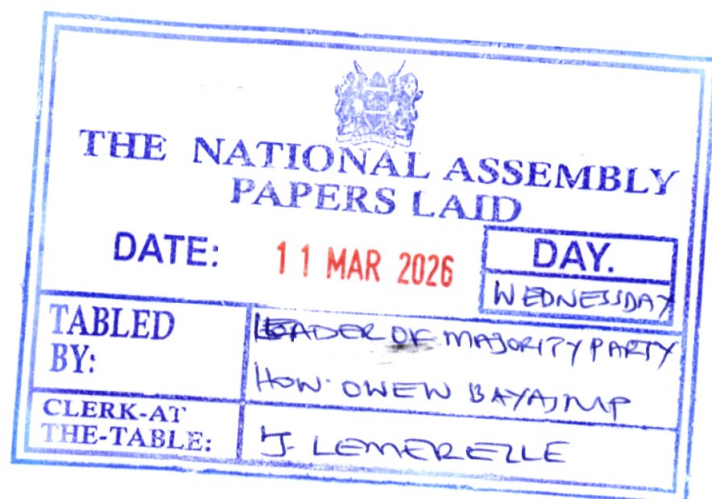
By Order of the Board



Secretary of the Board

Nairobi

Date



**12. Statement of Board of Governors Responsibilities**

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

The Board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (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 *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act, 2013. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the *entity* 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 Institutes financial statements were approved by the Board on 14<sup>th</sup> July 2025 and signed on its behalf by:

  
.....  
**Dr. Lily Kisaka**  
**Chairperson of the Board**

  
.....  
**Gilbert Mwavali**  
**Principal**

# REPUBLIC OF KENYA



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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2025

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### 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 Ramogi Institute of Advanced Technology set out on pages 46 to 128, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ramogi Institute of Advanced Technology as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Long Outstanding Student Debtors**

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from exchange transactions amount of Kshs.180,319,622 which is net of impairment allowance of Kshs.42,329,558 in respect of current receivables from exchange transactions. Included in the gross students' debtors of Kshs.248,358,151 is an amount of Kshs.190,453,491 or 76% of the total receivables that had been outstanding for a period beyond one year despite being collectable within one financial year. Although Management has made a provision of 17%, the lack of recovery is contrary to Section 3.0 of the Institute's Debt Management Manual, which requires that a debt that is unrecoverable after a period of six (6) years shall be forwarded to Board for consideration and recommendation to the Treasury through the Ministry of Education Science and Technology for write off. Further, no documentation, including demand letters was provided in support of the long-outstanding tuition debts.

In addition, the Institute maintained a general debtor listing without classifying current receivables into ageing categories within the year of Kshs.58,543,911.

In the circumstances, the completeness, accuracy and recoverability of receivables from exchange transactions balance of Kshs.180,319,622 could not be confirmed.

### **2. Land without Legal Ownership Documents**

As previously reported, Note 23 to the financial statements reflects a balance of Kshs.1,550,711,885 in respect of property, plant and equipment which includes a balance of Kshs.1,120,000,000 in respect of land. Review of documents provided by Management revealed that the Institute placed ownership of 200 acres of land valued at Kshs.120,000,000 located at Kibos in Kisumu County in 1988. The land which was supported by an allotment letter dated 20 July, 1988 was leased to KESREF/KARI for a period of six (6) years through a Presidential Directive. However, upon expiry of the period, the state corporation claimed ownership of the parcel of land alleging possession of an allotment letter dated 28 November, 1997 which has been subject to protracted legal dispute since then. The value and security of the land cannot be confirmed contrary to the provisions of Regulation 139(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms

are in place to eliminate theft, security threats, losses, wastage and misuse. Management has explained that the case is under investigation by the Ethics and Anti-Corruption Commission and National Land Commission.

In the circumstances, the ownership and security of the land valued at Kshs.120,000,000 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.305,049,492 and Kshs.230,295,485 respectively resulting to an under-funding and under-collection of Kshs.74,754,007 or 25% of the budget. Similarly, the Institute spent Kshs.212,470,790 against a final budget of Kshs.223,036,348 resulting to an under-expenditure of Kshs.10,565,558 or 5% of the budget. Further, review of the statement revealed an expenditure budget of Kshs.132,037,592 and actual on a comparable basis of Kshs.160,022,970 in respect of use of goods and services resulting to an over expenditure of Kshs.27,985,378. This was in contravention of Regulation 31(2)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of the National Government entity during the financial year.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and

Governance. Review of the status during audit of the Institute in 2024/2025 revealed that the following thirteen (13) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in Financial Statements
2	2023/2024	Variances between Financial Statements and Debtors ledger
3	2023/2024	Long Outstanding Student Debtors
4	2023/2024	Unsupported and Long Outstanding Payables
5	2023/2024	Unsupported fees from Students
6	2023/2024	Land Without Legal Ownership Documents
7	2023/2024	Non-Compliance with a third Rule
8	2023/2024	Non-Compliance with affirmative Action on Gender, Ethnicity and Regional Distribution
9	2023/2024	Lack of Valuation of Assets
10	2023/2024	Weaknesses in Management of Rental Revenue
11	2023/2024	Failure to Carry Out Risk Assessment in Financial Processes
12	2023/2024	Weaknesses in Internal Controls in Pay As You Eat System
13	2023/2024	Integrity of ERP System

### Other Information

The Management is responsible for the Other Information set out on page 5 to 44 which comprise of Key Entity 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 and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute'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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Long Outstanding Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.74,652,157 as disclosed in Note 26 to the financial statements. However, review of the ageing analysis of the payables revealed that trade payables totalling to Kshs.12,824,827, which should have been a first charge in the financial years 2024/2025 were still outstanding as at 30 June, 2025. This was contrary to Regulation 42(a) of the Public Finance Management (National Governments) Regulations, 2015 which requires debt service payments be a first charge to the budget. Failure to settle bills during the year to which they relate adversely affects the implementation of the subsequent year's budgeted programs as the outstanding bills form a first charge to that year's budget provision.

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

### **2. Non-Compliance With Laws on Procurement Planning**

Review of the procurement records revealed that Management failed to prepare quarterly reports on the implementation of the annual procurement plan and whether the reports were submitted to the Council for adoption. In addition, review of procurement plan for the year under review revealed that procurement for the financial year 2024/25 amounted to Kshs.230,427,072. However, the procurement and disposal plans indicate amount of Kshs.47,878,052 was reserved for Youth, Women, PWDs and other disadvantaged groups which is 21% of the total approved procurement plan. This is contrary to Regulation 149 of the Public Procurement and Asset Disposal Regulations, 2020, which states that an accounting officer of a procuring entity shall, when processing procurement under section 157(5) of the Act, allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability.

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

### **3. Failure to Budget for ERP System**

The Management contracted a company for installation of two Enterprise Resource Planning (ERP) systems modules; Pay as you Eat and bank integration at a contract sum of Kshs.3,318,000. However, the procured ERP system was not included in the approved procurement plan for the financial year 2024/2025. Further, Management did not provide requisition from user department detailing the technical specifications of the procured ERP contrary to Section 60 (1) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer of a procuring entity shall prepare specific requirements relating to the goods, works or services being procured that are clear, that give a correct and complete description of what is to be procured and that allow for fair and open competition among those who may wish to participate in the procurement proceedings.

In the circumstances, the Institute may not have effectively realized value for money utilized in the implementation of the ERP system.

#### **4. Failure to Meet Recruitment Thresholds for Persons with Disabilities**

Review of payroll records maintained by the Management revealed that Ramogi Institute of Advanced Technology had one hundred and nine (109) board contracted employees. However, the Institution had no employee out of the total work force as persons with disability. This is contrary to the provisions of Section 13 of the Persons with Disabilities Act, 2003 states that the National Council for Persons with Disabilities shall endeavour to secure the reservation of 5% of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities.

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

#### **5. Non-Compliance with the Law on Staff Ethnic Diversity**

Review of the staff bio data maintained by the Management revealed that the Ramogi Institute of Advanced Technology had one hundred and nine (109) employees excluding Public Service Commission appointees. Out of this, eighty-two (82) or 75.22% of the total employees were from the dominant ethnic community in the region. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

#### **6. Non-Functional CCTV Cameras**

During the year under review, the Management engaged a firm for supply and installation of IP CCTVs system which included supply and installation of sixty-nine (69) CCTV cameras at a cost of Kshs.2,551,160. Physical inspection in November, 2025 revealed that only sixty-four (64) of cameras were supplied and installed. Further, thirty-six (36) of the cameras installed were not functional. The failure to implement the contract as stipulated is contrary to Section 151(2) of the Public Procurement Asset and Disposal Act, 2015 which provides that, for the purpose of managing complex and specialized procurement contracts the contract implementation team shall be responsible for monitoring the performance of the contractor, to ensure that all delivery or performance obligations are met or appropriate action is taken by the procuring entity in the event of obligations not being met.

In the circumstances, the value for the money on the expenditure accrued of Kshs.2,551,160 could not be confirmed.

#### **7. Failure to Disclose Fair Value Gain on Biological Assets**

The statement of financial performance and as disclosed under Note 25 to the financial statements reflects biological assets balance of Kshs.245,250. However, review of the biological assets' records revealed that management failed to provide a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period to arrive at the fair value gain figure. This was contrary to IPSAS 27.30 states that a gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in surplus or deficit for the period in which it arises.

In the circumstances, the valuation and accuracy of the biological assets balance of Kshs.245,250 for the year ended 30 June, 2025 could not be confirmed.

## **8. Non-Adherence to the Stipulated Budget Process**

The statement of comparison of budget and actual amounts reflects capital expenditure payments actual expenditure of Kshs.16,786,045 against an approved budget of Kshs.81,718,552 representing 21% of allocation for development activities. This was contrary to Section 15(2)(a) of the Public Finance Management Act, 2012 that requires a minimum of thirty percent (30%) of the budget to be allocated to the development expenditure.

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. Inconsistency in the Valuation of Assets**

The statement of financial position and as disclosed in Note 23 to the financial statements reflects a balance of Kshs.1,550,711,885 in respect to property, plant and equipment. The balance includes an amount of Kshs.17,525,140 in respect of buildings additions for the period. The asset register provided for audit review revealed that the addition included fisheries laboratory valued at Kshs.8,994,943 that was funded by Food and Agricultural Organization. However, it was noted that the lab funded by the donor was handed over to the Institute on 7 July, 2025 which resulted to overstating the assets as at 30 June, 2025.

Further, additions included buildings that were previously omitted from the assets register valued at Kshs.5,000,000. However, Management did not provide an independent valuation report or evidence of engagement of a professional valuer in arriving at the asset's values disclosed in the financial statements. This was contrary to IPSAS 45.27 which states that where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

In the circumstances, accuracy and valuation of the buildings balance of Kshs.17,525,140 could not be confirmed.

## **2. Lack of Business Continuity and Disaster Recovery Plan**

During the year under review, the Institute did not have in place an Information System, Disaster Recovery Plan and a Business Continuity Plan. Therefore, there was no documented process to guide mitigation against any events affecting the information systems, information recovery and business continuity.

In the circumstances, the security of the Institute's information system could not be guaranteed.

## **3. Unsigned Audit and Risk Committee Meeting Minutes**

Review of the governance structures revealed that the full Audit and Risk Committee (ARC) held a number of sittings during the year under review. However, adopted minutes, register of conflict of interest and attendance register minutes and conflict of interest of the meetings held on 10 October, 2024 and 17 June, 2025 not provided for audit review. This was contrary Section 7 of the First Schedule of the Mwongozo Code of Ethics for State Corporations stipulates that the Board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and shall be signed by the chairperson or the person presiding at the meeting.

In the circumstances, the effectiveness of internal controls on management of board records 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 those Charged with 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 Institute'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 Institute'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**

**05 December, 2025**

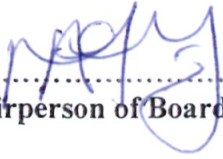
Ramogi Institute of Advanced Technology  
Annual Report and Financial Statements for the year ended 30th June 2025

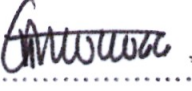
14. Statement of Financial Performance For The Year Ended 30 June 2025


	Notes	Year ended	Year ended
		30th June 2025	30th June 2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	97,863,426	39,007,500
Grants from donors and development partners	7	36,656,481	5,654,197
		<b>134,519,907</b>	<b>44,661,697</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services-fees from students	8	156,821,301	146,450,139
Sale of goods	9	8,246,027	5,582,436
Rental revenue from facilities and equipment	10	3,015,871	1,678,635
Finance income	11	8,032	22,203
Miscellaneous income	12	284,560	169,000
<b>Revenue from Exchange transactions</b>		<b>168,375,791</b>	<b>153,902,413</b>
<b>Total revenue</b>		<b>302,895,698</b>	<b>198,564,110</b>
<b>Expenses</b>			
Use of goods and services	13	158,394,570	114,097,413
Employee costs	14	36,673,418	35,839,484
Board expenses	15	8,491,698	7,069,736
Depreciation and amortization expense	16	36,024,254	31,676,147
Repairs and maintenance	17	7,398,364	12,318,238
Contracted Services	18	3,640,000	3,439,100
<b>Total Expenses</b>		<b>250,622,303</b>	<b>204,440,118</b>
<b>Other Gain/Losses</b>			
Gain on fair value of Biological asset	25	1,112,104	44,500
Impairment loss	19	42,329,558	26,348,222
<b>Total Other Losses</b>		<b>(41,217,455)</b>	<b>(26,303,722)</b>
<b>Net Surplus for the year</b>		<b>11,055,940</b>	<b>(32,179,730)</b>

(The notes set out on pages 7 to 42 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1-42 were signed by:

  
.....  
Chairperson of Board

  
.....  
Principal

  
.....  
Finance Officer  
ICPAK No.24450

Date

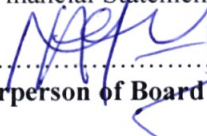
Date 4/12/2025 Date 4/12/2025

**Ramogi Institute of Advanced Technology**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

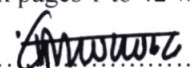
**15. Statement of Financial Position As At 30th June 2025**

Description	Notes	Year ended 30th June 2025	Year ended 30th June 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	20	10,342,221	9,303,571
Receivables from exchange transactions	21	180,319,622	128,641,319
Inventories	22	1,757,773	1,182,405
<b>Total Current Assets</b>		<b>192,419,615</b>	<b>139,127,294</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	23	1,550,711,885	1,549,488,751
Intangible assets	24	7,214,400	6,080,000
Biological Assets	25	245,250	274,500
<b>Total Non-Current Assets</b>		<b>1,558,171,535</b>	<b>1,555,843,251</b>
<b>Total Assets</b>		<b>1,750,591,150</b>	<b>1,694,970,545</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	26	74,652,158	92,098,614
Current Provision	21	68,677,780	-
<b>Total Liabilities</b>		<b>143,329,938</b>	<b>92,098,614</b>
<b>Net Assets</b>		<b>1,607,261,212</b>	<b>1,602,871,931</b>
<b>Represented By:</b>			
Accumulated Surplus		58,084,620	47,028,680
Capital Fund		1,549,176,592	1,555,843,251
<b>Net Assets</b>		<b>1,607,261,212</b>	<b>1,602,871,931</b>


The Financial Statements set out on pages 1 to 42 were signed by:

  
 .....  
 Chairperson of Board

Date 4/12/2025

  
 .....  
 Principal

Date 04/12/2025

  
 .....  
 Finance Officer  
 ICPAK No.24450  
 Date 4/12/2025

**Ramogi Institute of Advanced Technology**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**16. Statement of Changes in Net Asset For The Year Ended 30 June 2025**

<b>Description</b>	<b>Accumulated Fund</b>	<b>Capital Fund</b>	<b>Total</b>
<b>At 1 July,2023</b>	<b>79,208,410</b>	<b>1,563,696,740</b>	<b>1,642,905,150</b>
Additions	-	24,938,038	24,938,038
Annual depreciation	-	(31,676,147)	(31,676,147)
Deficit for the year	(32,179,730)	(1,115,380)	(33,295,110)
<b>At June 30,2024</b>	<b>47,028,680</b>	<b>1,555,843,251</b>	<b>1,602,871,931</b>
<b>At July 1,2024</b>	<b>47,028,680</b>	<b>1,555,843,251</b>	<b>1,602,871,931</b>
Surplus for the year	11,055,940	-	11,055,940
Net change in capital fund during the year	-	(6,666,659)	(6,666,659)
<b>At June 30,2025</b>	<b>58,084,620</b>	<b>1,549,176,592</b>	<b>1,607,261,212</b>

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

Description	Note	Year ended 30th June 2025	Year ended 30th June 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		97,863,426	39,007,500
Grants from donors and development Partners		22,272,129	5,654,197
Rendering of services-fees from students		98,605,440	105,424,479
Sale of goods		8,246,027	2,816,099
Rental revenue from facilities and equipment		3,015,871	1,151,829
Finance income		8,032	22,203
Miscellaneous income		284,560	169,000
<b>Total Receipts</b>		<b>230,295,485</b>	<b>154,245,307</b>
<b>Payments</b>			
Use of goods and services		160,022,970	87,914,933
Employee costs		36,673,418	39,791,187
Board of Governors Expenses		8,491,698	7,069,736
Repairs and maintenance		3,954,704	9,239,878
Contracted services		3,328,000	3,676,600
<b>Total payments</b>		<b>212,470,790</b>	<b>147,692,334</b>
<b>Net Cash Flows from operating activities</b>	27	<b>17,824,695</b>	<b>6,552,973</b>
<b>Cash flows from Investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		16,786,045	(24,884,538)
<b>Net cash flows used in investing activities</b>		<b>1,038,650</b>	<b>(18,331,565)</b>
<b>Cash flows from financing activities</b>		1,038,650	(18,331,565)
<b>Net cash flows used in financing activities</b>		<b>1,038,650</b>	<b>(18,331,565)</b>
<b>Net increase/Decrease in cash and cash equivalents</b>		1,038,650	(18,331,565)
Cash and cash equivalent at 1 JULY		9,303,571	27,635,136
<b>Cash and cash equivalent at 30 JUNE</b>		<b>10,342,221</b>	<b>9,303,571</b>

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
	Kshs	Kshs	Kshs	kshs	Kshs	%
	a	b	c=a+b	d	e=c-d	f=d/c*100
<b>Receipts</b>						
Transfers from other National Government entities	201,096,900	-	201,096,900	97,863,426	103,233,474	49
Grants from donors and development partners	6,000,000	-	6,000,000	22,272,129	(16,272,129)	371
Rendering of services-fees from students	74,130,000	-	74,130,000	98,605,440	(24,475,440)	133
Sale of goods	22,400,000	-	22,400,000	8,246,027	14,153,973	37
Rental revenue from facilities and equipment	1,128,000	-	1,128,000	3,015,871	(1,887,871)	267
Finance income	-	8,032	8,032	8,032	(0)	100
Miscellaneous Income	-	286,560	286,560	284,560	2,000	99
<b>Total Receipts</b>	<b>304,754,900</b>	<b>294,592</b>	<b>305,049,492</b>	<b>230,295,485</b>	<b>74,754,007</b>	<b>75</b>
<b>Payments</b>						
Use of goods and services	131,743,000	-	132,037,592	160,022,970	(27,985,378)	121
Employee costs	42,959,648		42,959,648	36,673,418	6,286,230	85
Board Expenses	9,333,700		9,333,700	8,491,698	842,002	91
Repairs and maintenance	29,000,000		29,000,000	3,954,704	25,045,296	14
Contracted Services	10,000,000		10,000,000	3,328,000	6,672,000	33
<b>Total Expenditure Payments</b>	<b>223,036,348</b>	<b>-</b>	<b>223,330,940</b>	<b>212,470,790</b>	<b>10,860,150</b>	<b>95</b>
<b>Capital Expenditure Payments</b>	<b>81,718,552</b>		<b>81,718,552</b>	<b>16,786,045</b>	<b>64,932,507</b>	<b>21</b>
<b>Surplus</b>	<b>-</b>		<b>-</b>	<b>1,038,650</b>		

Notes

- a) Shortfall in transfers from National Government entities was as a result of dwindling grants
- b) Grants from donors and development partners surpassed the projections.
- c) Rendering of services also surpassed the projection as the focus shifted to trainees when government grants dwindled
- d) Sale of goods which are majorly Income Generating activities underperformed

- e) Rental revenue from facilities and equipment over performed as a result of hiring more gown to other Institutions than was projected
- f) Use of goods and services appears overspent because of pending bills the previous year amounting to Kshs 46,955,550
- g) Underperformance in Repairs and maintenance and contracted services were as a result of cash flow challenges
- h) Changes between the original and final budget was as a result of finance income and miscellaneous income which were unforeseen during budgeting
- i) The under expenditure in employee costs is as a result of reclassification of capacity building costs from employee costs to use of goods

**Budget Reconciliation**

Actual Surplus Amounts as per the statement of Budget		1,038,650
Opening balances		9,303,571
Closing Cash and Cash Equivalents as per statement of Cash flows		<b><u>10,342,221</u></b>

**19. Notes to the Financial Statements**

**1. General Information**

Ramogi Institute of Advanced Technology is established by and derives its authority and accountability from TVET Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is technical training.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity'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 7 and 24. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM 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**

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

*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.

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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. This Institute will apply this standard on the existing leases it has with Safaricom and Communication Authority of Kenya.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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. This standard may not impact much on the Institute.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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 may not impact much on the Institute
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value. The Institute will adopt the standard when it becomes effective.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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. The Institute will adopt this standard when reporting on all streams of revenue.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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. The standard has no impact on the Institute for now.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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. The standard has no impact on the Institute.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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 understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. The standard has no impact on the</li> </ul>

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*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

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

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

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Board on 26<sup>th</sup> January 2024. 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 entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of ksh 294,592 on the FY 2024/2025 budget following the Board's approval. The entity's 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 entity is exempt from paying taxes as per schedule I of the Income Act.

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

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

**f) Leases**

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

**g) Intangible assets**

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

**h) 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 Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

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

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

**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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a

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financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

***Financial assets***

***Classification***

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

***Financial liabilities***

***Classification***

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

**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 *Entity*.

#### **l) Provisions**

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

#### ***Contingent liabilities***

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

#### ***Contingent assets***

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

#### **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 entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**n) Nature and purpose of reserves**

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

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

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

**p) Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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

**t) Service concession arrangements**

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

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

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

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**

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Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	77,626,100	38,507,500
Current Grants	-	500,000
Scholarship grants	20,237,326	-
<b>Total Government Grants</b>	<b>97,863,426</b>	<b>39,007,500</b>

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

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial Performance	Year ended 30th June 2024
	Kshs	kshs
State Department of TVET	97,863,426	39,007,500
<b>Total</b>	<b>97,863,426</b>	<b>39,007,500</b>

**7. Grants from Donors and Development Partners**

Description	Year ended 30th June 2025	Year ended 30th June 2024
		Kshs
GIZ Project-Agri Jobs for youth	-	540,000
African Centre for Technologies Studies	141,311	134,759
Food And Agriculture Organization	5,581,776	3,349,065
Lake Victoria Small Fish Project Receipts	-	2,240,609
YISA-Farm Africa	16,549,042	10,713,937
In-Kind Donation	8,994,943	-
Gamos East Africa	-	10,000
<b>Total Grants from Development Partners</b>	<b>31,267,072</b>	<b>16,988,370</b>

**Notes**

Total Grants from Development Partners	31,267,072
Less In Kind donation	8,994,943
Cash outflows	22,272,129

**(a) Reconciliations of grants from donors and development partners**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	
<b>Balance unspent at the beginning of period</b>	11,334,173	-
Current period receipts	31,267,072	16,988,370

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Conditions Met-Transferred to Revenue	36,656,481	5,654,197
<b>Conditions Yet To Be Met-Remain Liabilities</b>	<b>5,944,764</b>	<b>11,334,173</b>

**Notes**

<b>Project Name</b>	<b>Remarks</b>	
African Centre for Technologies Studies	E-cooking Hub	-
Food And Agriculture Organization	Funded by EU to train young fish farmers	
YISA-Farm Africa	Funded by Farm Africa to train young fish farmers	

**8. Rendering of Services**

<b>Description</b>	<b>Year ended 30th June 2025</b>	<b>Year ended 30th June 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition fees	11,013,546	57,471,529
Activity fees	14,099,345	12,713,540
Registration fees	1,362,080	2,005,400
Electricity, Water and Conservancy	11,342,305	9,795,410
P.Emoluments	32,686,861	30,971,450
Local Travel and Transport	12,089,693	10,531,260
Repairs, Maintenance and Improvements	11,643,814	10,283,250
Development fees	6,003,749	-
Students Accommodation	12,568,990	7,499,400
Students Union	2,689,409	1,965,200
Students ID	1,295,300	790,600
KNEC Project fee	14,300	57,000
Administration Fees	5,300	-
TVET Accreditation	1,263,000	789,000
Solar PV Training	909,500.00	221,720.00
Graduation Fees	-	500
KUCCPS	3,937,500	1,020,000
Training Driving School	943,700	
Medical Charge	5,000	73,300
Examination	32,944,450	258,980
Education Trip fee	3,459	2,600
<b>Total Revenue from The Rendering of Services</b>	<b>156,821,301</b>	<b>146,450,139</b>

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**9. Sale of Goods**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	
Sales of Farm Produce	41,750	2,590,091
Cafeteria Sales	502,767	2,099,945
School Fees from Training/Driving School	-	332,400
Sale of Empty Jericans from Kitchen	-	900
Production Units	3,701,492	559,100
KATTI Hosting	4,000,018	-
<b>Total Revenue from Sale of Goods</b>	<b>8,246,027</b>	<b>5,582,436</b>

**10. Rental revenue from facilities and equipment**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Rent from staff	554,400	380,250
Lease Income	961,486	946,735
Contingent Rentals-Graduation gowns	1,499,985	351,650
<b>Total</b>	<b>3,015,871</b>	<b>1,678,635</b>

**11. Finance Income**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Interest from Co-operative bank	8,032	22,203
<b>Total finance income</b>	<b>8,032</b>	<b>22,203</b>

**12. Miscellaneous Income**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	kshs	Kshs
Bus Hire	184,560	169,000
Equity Bank	100,000	-
<b>Total other income</b>	<b>284,560</b>	<b>169,000</b>

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**13. Use of Goods and Services**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	kshs	Kshs
Training Materials	24,647,996	37,034,197
Water	512,904	415,002
Electricity	2,763,847	2,913,366
Admin.Costs	2,635,752	3,205,507
Local Travel and Transport	3,066,835	8,079,340
Medical Expense	1,400,871	1,133,925
Activity fees	8,740,889	6,972,024
Insurance	1,043,624	1,185,131
Student Union	1,957,622	1,290,240
Cafeteria Expenses	11,789,669	11,008,117
NYS Sponsored Students Meals	2,203,152	7,627,100
Bank Charges	225,990	465,728
Attachment expense	1,888,750	783,000
Examination Expenses	35,526,376	-
Printing and stationery	5,099,889	3,221,037
Centre costs	123,080	113,440
Marketing	270,780	2,783,301
Farm Expenses	1,215,415	951,097
KATTI/CAPA	32,250	901,996
Newspapers	87,000	94,800
postage stamps	2,750	-
Scratch Cards	582,900	545,200
Cleaning materials	2,512,673	598,060
Fuel and Oil	3,267,812	5,845,626
Oral Exams Expenses	133,460	76,110
Agri Jobs for Youth GIZ	-	606,934
Staff Uniforms	-	13,300
Production Unit Expense	4,217,945	1,582,299
Refreshments	42,730	253,326
Postal Box Rental Charge	7,725	7,725
Student management	1,804,172	2,309,030
Performance Contracting Expenses	266,530	425,900
KUCCPS	558,135	246,000
Training Driving School Expenses	377,980	134,350
Educational Trips	-	417,400
Corporate Social Responsibility	151,480	63,400
Subscriptions	209,550	552,810
YISA-Farm Africa Expenses	18,555,095	2,594,430
True Fish Expenses	8,965,132	663,260

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Tree Planting	178,420	565,100
Lake Victoria Small Fish Project	-	2,008,871
Registration Expenses	25,200	458,232
KATTI Hostings	5,521,749	-
Capacity Building	5,780,442	3,951,703
<b>Total good and services</b>	<b>158,394,570</b>	<b>114,097,413</b>

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**14. Employee Costs**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	kshs
Basic Salaries	32,371,798	32,487,938
Honorarium	22,800	-
wages	762,700	-
Employer NSSF	1,863,332	1,671,786
Nita Levy	58,350	53,150
Employer Housing Levy	486,037	443,374
Gratuity	1,108,401	1,183,236
<b>Employee Costs</b>	<b><u>36,673,418</u></b>	<b><u>35,839,484</u></b>

**15. Board Expenses**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	kshs
Sitting allowance	3,895,000	2,140,000
Transport refund	1,331,303	1,132,975
Per Diem	1,831,000	1,456,000
B.O.G Trainings	934,960	1,157,946
Meals	208,935	276,815
Scratch Cards	19,000	11,000
Honoraria	271,500	120,000
Other Board expenditure	-	775,000
<b>Total</b>	<b><u>8,491,698</u></b>	<b><u>7,069,736</u></b>

**16. Depreciation and Amortization expense**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Property, Plant and equipment	33,840,654	27,919,427
Intangible assets	2,183,600	3,756,720
<b>Total depreciation and amortization</b>	<b><u>36,024,254</u></b>	<b><u>31,676,147</u></b>

**17. Repairs and Maintenance**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Vehicles	2,231,135	2,857,218
Buildings	3,643,660	4,869,222
Furniture and Fittings	79,885	559,960
Equipment and Machines Repairs	459,004	1,174,620
Computers and accessories	984,680	2,857,218
<b>Total Repairs and Maintenance</b>	<b><u>7,398,364</u></b>	<b><u>12,318,238</u></b>

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18. Contracted Services

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	kshs
Consultancy Services	-	234,500
Outsourced Security Services	3,640,000	3,204,600
<b>Total Contracted services</b>	<b>3,640,000</b>	<b>3,439,100</b>

19. Impairment Loss

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Expected Credit Loss form Debtors	42,329,558	26,348,222
<b>Total Impairment Loss</b>	<b>42,329,558</b>	<b>26,348,222</b>

20. Cash and Cash Equivalents

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Current Accounts	10,145,521	9,297,663
Others	196,700	5,908
<b>Total Cash and Cash Equivalents</b>	<b>10,342,221</b>	<b>9,303,571</b>

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

Financial Institution	Account number	Year ended 30th June 2025	Year ended 30th June 2024
		Kshs	Kshs
<b>(a) Current account</b>			
National Bank	01020023523500	3,757,559	1,242,251
National Bank	010200235235002	118,796	11,771
Co-operative bank	01103870959601	320,037	311,999
Equity Bank	0290282408438	4,364	16,350
Equity Bank	0290282012972	5,811,863	7,715,292
KCB Bank	1325410713	132,901	-
<b>Sub-Total</b>		<b>10,145,521</b>	<b>9,297,663</b>
<b>(b) Others</b>			
Cash in hand		-	5,908
Mobile Money account	3131419	196,700	-
<b>Sub-Total</b>		<b>196,700</b>	<b>5,908</b>
<b>Grand Total</b>		<b>10,342,221</b>	<b>9,303,571</b>



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**21. Receivables from Exchange transactions**

**21 (a) Current Receivables from Exchange transactions**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	248,358,151	153,605,067
Rent Debtors	361,051	311,201
Other Exchange Debtors	278,200	1,073,272
<b>Totals</b>	<b>248,997,402</b>	<b>154,989,540</b>
Balance Bd	26,348,222	-
Less: Impairment Allowance@17%	42,329,558	26,348,222
	<b>68,677,780</b>	<b>26,348,222</b>
	<b>180,319,622</b>	<b>128,641,319</b>

**21 (b) Ageing Analysis of Receivables from Exchange transactions**

Description	Year ended 30th June 2025		Year ended 30th June 2024	
	Amounts	% of total	Amount	% of total
Less than 1 Year	58,543,911	23	41,025,660	26
Between 1-2 Years	78,699,517	32	34,613,735	22
Between 2-3 Years	41,992,024	17	64,950,404	42
Over 3 Years	69,761,950	28	14,399,742	9
<b>Totals</b>	<b>248,358,151.24</b>	<b>100</b>	<b>154,989,541</b>	<b>100</b>

**21(c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
At the beginning of the year	26,348,222	-
Provisions during the year	42,329,558	26,348,222
At the end of the year	<b>68,677,780</b>	<b>26,348,222</b>

**22. Inventories**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Foodstuff	-	538,600.00
Stationery	1,240,690.00	638,485.00
Cleaning Materials	201,876	5,320.00
Human Drugs	315,207	-
<b>Totals</b>	<b>1,757,773</b>	<b>1,182,405</b>

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**Detailed disclosure on inventories**

	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Opening balance	1,182,405	-
Additional Inventory in the year	1,757,773	-
Inventory expensed in the year	1,182,405	-
<b>Closing balance</b>	<b><u>1,757,773</u></b>	-

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**23. Property, Plant and Equipment**

	Land	Buildings	Motor Vehicles	Furniture and fittings	Computers	Plant and equipment	Text Books	Other Infrastructure	Capital Work in progress	Total
Cost	kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>	-	2.50%	16.67%	10%	25%	10%	10%	2.50%		
<b>At 1 July 2023</b>	1,120,000,000	465,086,379	30,769,110	146,537,894	25,923,388	1,016,350	3,278,698	-	1,115,380	1,793,727,199
Additions	-	10,637,753	-	1,653,485	1,609,300	398,000		-	2,765,000	17,063,538
Transfers	-							-	(1,115,380)	(1,115,380)
<b>At 30th June 2024</b>	1,120,000,000	475,724,132	30,769,110	148,191,379	27,532,688	1,414,350	3,278,698	-	2,765,000	1,809,675,357
<b>Additions</b>	-	17,525,140	-	1,173,590	2,888,460	193,570		3,276,478	10,006,550	35,063,788
<b>At 30th June 2025</b>	1,120,000,000	493,249,272	30,769,110	149,364,969	30,421,148	1,607,920	3,278,698	3,276,478	12,771,550	1,844,739,145
<b>Depreciation And Impairment</b>								-		
<b>At July 2023</b>	-	117,296,591	13,449,840	83,100,110	16,684,728	101,635	1,634,275	-	-	232,267,179
<b>Depreciation</b>	-	1,689,574	4,084,610	14,819,103	6,883,172	115,098	327,870	-	-	27,919,427
<b>At 30 June 2024</b>	-	118,986,165	17,534,450	97,919,213	23,567,900	216,733	1,962,145		-	260,186,606
<b>Depreciation</b>	-	12,270,060	4,045,330	14,936,462	2,018,228	160,792	327,870	81,912		33,840,654
<b>At 30 Jun 2025</b>	-	131,256,225	21,579,780	112,855,675	25,586,128	377,525	2,290,015	81,912	-	294,027,260
<b>Net Book Values</b>										
<b>At 30th June 2024</b>	1,120,000,000	356,737,967	13,234,660	50,272,166	3,964,788	1,197,617	1,316,553	-	2,765,000	1,549,488,751
<b>At 30th June 2025</b>	1,120,000,000	361,993,047	9,189,330	36,509,294	4,835,021	1,230,395	988,683	3,194,566	12,771,550	1,550,711,885

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**Notes to the Financial Statements**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by National Government professional valuers on 20<sup>th</sup> January 2025. However the valuation report was not ready by the time these reports were being finalised. These amounts will be adopted in the financial statements when received.

**23 (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	Costs	Acc. Depreciation	NBV
Land	1,120,000,000	-	1,120,000,000
Buildings	493,249,272	131,256,225	361,993,047
Motor Vehicles	30,769,110	21,579,780	9,189,330
Furniture and fittings	149,364,969	112,855,675	36,509,294
Computers	30,421,148	25,586,128	4,835,021
Plant and Equipment	1,607,920	377,525	1,230,395
Text Books	3,278,698	2,290,015	988,683
Other Infrastructure	3,276,478	81,912	3,194,566
Capital WIP	12,771,550	-	12,771,550
<b>Total</b>	<b>1,844,739,145</b>	<b>294,027,260</b>	<b>1,550,711,885</b>

**Notes**

Total addition of PPE and Intangible assets for Kshs 38,381,789,788 is represented by:

Cash outflows on PPE	13,468,045
Cash outflows Intangible assets	3,318,000
Total Cash outflow	16,786,045
Accrued	7,100,801
Assets identified through recounts and partners	14,494,943
<b>Total PPE and Intangible additions</b>	<b>38,381,789</b>
Less Intangible assets	<b>3,318,000</b>
PPE	<b>35,063,789</b>

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**24. Intangible Assets**

Description	Year ended 30th June 2025	Year ended 30th June 2024
Cost	Kshs	Kshs
<b>At the beginning of the year</b>	18,933,600	11,333,600
Additions	3,318,000	7,600,000
At end of the year	<b>22,251,600</b>	<b>18,933,600</b>
<b>Amortization and Impairment</b>		
At the beginning of the year	12,853,600	9,096,880
Amortization and Impairment	2,183,600	3,756,720
<b>At the end of the year</b>	<b>15,037,200</b>	<b>12,853,600</b>
<b>NBV</b>	<b>7,214,400</b>	<b>6,080,000</b>

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**25. Biological Assets**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Dairy Cattles	245,250	274,500
<b>Totals</b>	<b><u>245,250</u></b>	<b><u>274,500</u></b>

**Reconciliation of Changes in carrying amount**

Description	Year ended 30th June 2025	Year ended 30th June 2024	Change
	Kshs	Kshs	kshs
1 <sup>st</sup> cattle(RIAT 001-Queen)	93,000	138,000	(45,000)
2 <sup>nd</sup> cattle(RIAT 002-Mrembo)	105,000	127,500	(22,500)
3 <sup>rd</sup> Calf(RIAT 003-Madaraka)	35,250	9,000	26,250
4 <sup>th</sup> Cattle(RIAT 004-Linet)	12,000	-	12,000
<b>Total</b>	<b><u>245,250</u></b>	<b><u>274,500</u></b>	<b><u>(29,250)</u></b>
Fair value of milk less cost to sell			691,554
Fair value of vegetables less cost to sell			215,800
Fair value of maize less cost to sell			234,000
<b>Total gain/loss</b>			<b>1,112,104</b>

**26. Trade and Other Payables**

Description	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Trade Payables 2023-2024	12,824,827.00	55,144,755.57
Trade payables 2022-2023	-	2,030,922.00
Trade Payables 2024-2025	43,233,392.00	-
Conditions Yet to be met from Donors fund	5,944,763.55	11,334,172.75
Nita Levy June 2024	-	5,500.00
KRA PAYE June 2024	-	683,551.00
SHIF June 2025	79,991.00	-
NSSF June 2025	348,446.00	-
Housing Levy June 2025	87,253.00	-
Nita Levy June 2025	1,250.00	-
HELB June 2025	39,941.00	-
Elimu Sacco June 2025	361,714.00	-
Riat supportstaff June 2025	105,650.00	-
Kudheihha June 2025	10,500.00	-
Madison Insurance June 2025	2,500.00	-
ICEA June 2025	23,015.00	-
Port DT Sacco June 2025	20,000.00	-
Prepayments June 2025	11,568,915.35	22,899,712.73

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<b>Total Trade and Other Payables</b>	<b>74,652,158</b>	<b>92,098,614</b>
<b>Ageing analysis</b>		
Under one year	61,827,330.90	90,067,692 (97%)
1-2 years	12,824,827.00	2,030,922 (3%)
<b>Totals</b>	<b>74,652,157.90</b>	<b>92,098,614.05</b>

**27. Cash generated from operations.**

<b>Cash generated from operations</b>	<b>Year ended 30th June 2025</b>	<b>Year ended 30th June 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus for the year before tax	11,055,940	(32,179,730)
<b>Adjusted for:</b>		
Depreciation and Amortization	36,024,254	31,676,147
Impairment	42,329,558	26,348,222
Net Revaluation gain	1,112,104	(44,500)
<b>Working Capital Adjustments</b>		
Increase in Inventory	(575,368)	(39,665)
Increase in Receivables	(51,678,303)	(40,043,996)
Increase in Payables	(20,443,490)	20,836,495
<b>Net Cash Flow from Operating Activities</b>	<b>17,824,695</b>	<b>6,552,973</b>

**28. Reconciliation of budget performance and statement of financial performance**

<b>Description</b>	<b>Year ended 30th June 2025</b>	<b>Year ended 30th June 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus under statement of financial performance</b>	<b>11,055,940</b>	<b>(32,179,730)</b>
<b>Explained by:</b>		
Current Receivables	(86,996,573)	(72,919,639)
Current Payables	61,827,330	53,672,473
Depreciation and Amortization	36,024,254	31,676,147
Trade creditors	(46,955,550)	-
Impairment Non-Cash items	42,329,558	26,348,222
Revaluation gain	1,112,104	(51,500)
Decrease in inventories	(575,368)	-
Revaluation loss	-	7,000
Capital asset	(16,786,045)	
<b>Surplus as per the Budget</b>	<b>1,035,650</b>	<b>6,552,973</b>

**29. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	154,989,540	114,241,576	14,399,742	26,348,222
Bank balances	9,303,571	-	-	-
<b>Total</b>	<b>164,293,111</b>	<b>114,241,576</b>	<b>14,399,742</b>	<b>26,348,222</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	249,124,357	180,319,622	180,319,622	68,677,780
Bank balances	10,342,221	10,342,221	-	-
<b>Total</b>	<b>259,466,578</b>	<b>190,660,843</b>	<b>180,319,622</b>	<b>68,677,780</b>

**Financial risk management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	19,729,271	22,156,000	15,290,407	57,175,678
<b>Total</b>	<b>19,729,271</b>	<b>22,156,000</b>	<b>15,290,407</b>	<b>57,175,678</b>
<b>At 30 June 2025</b>				
Trade Payables	-	53,092,378	2,965,841	56,058,219
Provisions	42,329,558	-	26,348,222	68,677,780
<b>Total</b>	<b>42,329,558</b>	<b>53,092,378</b>	<b>29,314,063</b>	<b>124,735,999</b>

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**(iii) Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**a) Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Financial Assets (Investments, Cash, Debtors)	-	132,901	132,901
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset	-	<b>132,901</b>	<b>132,901</b>

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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**Foreign currency sensitivity analysis**

The effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant is negligible. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**iv) Capital Risk Management**

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

Description	Year ended 30 <sup>th</sup> June 2025	Year ended 30 <sup>th</sup> June 2024
	Kshs	Kshs
Retained Earnings	50,314,997	47,028,680
Capital Reserve	1,558,171,535	1,555,843,251
<b>Total Funds</b>	<b>1,608,486,532</b>	<b>1,602,871,971</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	10,342,221	9,303,571
Net Debt/(Excess Cash and Cash Equivalentents)	1,598,144,311	1,593,568,400
<b>Gearing</b>	100%	100%

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**30. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

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

Description	Year ended 30 <sup>th</sup> June 2025	Year ended 30 <sup>th</sup> June 2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	961,486	946,735
<b>Total</b>	<b>961,486</b>	<b>946,735</b>
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	2,763,847	2,913,366
Purchase of water from govt service providers	512,904	415,002
<b>Total</b>	<b>3,276,751</b>	<b>3,328,368</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	97,863,426	39,007,500
<b>Total</b>		
<b>c) Expenses incurred on behalf of related parties</b>	-	-
<b>d) Key Management Compensation</b>		
Board Expenses	8,491,698	7,069,736
<b>Total</b>	<b>8,491,698</b>	<b>7,069,736</b>

**31. Capital Commitments**

The Institute did not have any capital commitment as a result of cash flow challenges.

**32. Events After The Reporting Period**

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

**33. Ultimate And Holding Entity**

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

**34. 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)
1.1 Lack of Ownership Documents	Note 22 to the financial statements reflect a balance of Kshs. 1,120,000,000 in respect of land which comprise of four (4) parcels of land totaling 594 acres. However, three (3) parcels of land valued at Kshs.803, 250,000 do not have title deeds. No effort appears to have been made by Management to	The college has title to land totaling 156 acres. Possession of the other parcel is under dispute and the matter has been brought to the attention of the Ministry which has commissioned the National Lands Commission to investigate.	Not Resolved	1 year

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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>obtain the ownership documents to the parcels of land. In the circumstances, the ownership of three parcels of land included in these financial statements and valued at Kshs.803, 250,000 could not be confirmed.</p>			
<p><b>1.2 Lack of Valuations for Land and Buildings</b></p>	<p>Note 22 to the financial statements reflect a balance of Kshs.1, 561,460,020 relating to value of property plant and equipment. However, review of records revealed</p>	<p>Valuation was done by the government valuers in June 2025 and we are waiting for the report.</p>	<p>Not Resolved</p>	<p>1 year</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>that the property, plant and equipment valuation was last done in the year 2018 and therefore, in the absence of current valuation, it is not possible to ascertain whether the amount in the current financial statements reflects fair value.</p> <p>In the circumstances, the value of property, plant and equipment disclosed as an amount of Kshs.1,561,460,020 could not be confirmed</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)
1.3 Incomplete Assets Register	The Institute maintains an incomplete asset register without detailed information such as tag/serial number, make /model, supplier's name, original location, current location and the officer responsible for each asset contrary to Regulations 143(1) and (2) of the Public Finance Management Regulations, 2015 which require that an accounting officer shall be responsible for maintaining a	We have initiated the process and it is currently on-going.	Not Resolved	3 months

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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>register of assets under his/her control or possession as prescribed by the relevant laws and that the register of land and buildings shall record each parcel of land and each building and terms on which it is held, with reference to the conveyance, address, area, date of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management</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>details.</p> <p>In the circumstances, the ownership, accuracy, valuation and completeness of property, plant and equipment balance of Kshs 1,561,460,020 could not be confirmed.</p>			
2.1 Inaccuracies under Statement of Cash Flows	The statement of cash flows reflects an amount of Kshs 33,434,407 in respect of total additions to property, plant and equipment under cash flows from investing activities.	The actual cash paid was kshs 33,434,407. The variance of Kshs 8,397,285 was accrued and paid in the next financial year.	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>However, Note 22 to the financial statements reflects a balance of Kshs 41,831,692 net of buildings additions under the asset movement schedule resulting to un-explained variance of Kshs 8,397,285.</p> <p>In the circumstances, the accuracy and completeness of the cash flow statement could not be confirmed.</p>			
2.2 Inaccuracies in the Statement of Comparison of Budget and Actual Amounts	The statement of financial performance and as disclosed in Note 8	Differences in rendering of services were because of fee arrears from the previous year and the differences between	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>to the financial statements reflects an amount of Kshs96,059,778 in respect of rendering services-fees from students, while statement of comparison of budget and actual amounts reflects an amount of Kshs98,943,498 relating to rendering of services-fees from students resulting to un-reconciled variances of Kshs 2,883,720. In addition, the statement of financial performance</p>	<p>expenditure as per the budget and statement of financial performance were reconciled in the notes to the budget. Please refer to page 6 of the financial statements for reconciliation of the same.</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>reflects total expenditure of Kshs235,740,312, while the statement of comparison of budget and actual amounts reflects an amount of Kshs.149,910,907 resulting to un-reconciled variance of Kshs 85,829,405.</p> <p>In the circumstances, the completeness and accuracy of the statement of comparison of budget and actual amounts could not be confirmed.</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)
Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflect final receipts budget and actual on comparable basis of Kshs 264,172,908 and Kshs 134,638,524 respectively resulting to an underfunding of Kshs. 129,534,384 or 49% of the budget. Similarly, the Institution spent Kshs 183,345,314 against approved budget of Kshs 264,172,908 resulting to under expenditure of Kshs 80,827,594 or	Under-collection was as a result of delayed disbursement of funding from HELB,NYS and Ministry which was effected after the financial year. Management has put in place a budget monitoring procedure with quarterly reporting of variances and explanations to guide decision making.	Unresolved	

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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)
	30.60% of the budget. The under-collection and under absorption affected planned activities of the Institute and may have impacted negatively on service delivery to the public.			
1. Non-Compliance with the Law on Ethnic Composition	Review of the June 2023 payroll revealed that the Institute had a workforce of 200 out of which 136 or 68% were members of the dominant community. This was contrary to	Management has put in place measures to ensure that this matter is addressed with a view to compliance with the law whenever recruitment is being conducted.	Unresolved	Progressively

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that requires public establishment to seek to represent the diversity of the people of Kenya in employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community. In the circumstances, Management was in breach of the law.</p>			
Non-Insurance of Assets	Note 22 to the financial statements	We have started the process of assets valuation and once	Unresolved	1 Year

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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>reflect an amount of Kshs.1, 561,460,020 in respect of total assets, However, out of Kshs 441,460,020 insurable assets only motor vehicles amounting to Kshs 17,319,270 were insured leaving a balance of Kshs.424,140,750 not insured contrary to the part IV(2) and (3) of the National Treasury guidelines on assets and liability management in the public sector 2020,which states that insurance cover for public entity</p>	<p>completed we shall commence the process of insuring the assets as a priority subject to availability of funds.</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)
	assets should be guided by risk exposure and cost-benefit criteria and that the Accounting officer shall arrange for timely acquisition of insurance cover and renewal of all insurance policies to ensure that they are budgeted for and that the public sector entity's'.			
1. Weakness in Inventory Management	The statement of financial position reflects a balance of Kshs.1, 222,070 in respect of inventories and as disclosed in note 21 to the financial	Approved stores requisitions by authorities have been provided for your review.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>statements. Review of the financial statements show that inventory balance decreased from the previous period by Kshs 200,857 to the current year balances. The management has provided inventory books to support issuing and receipting of inventory movement. However the inventory posting for both goods delivered and issued out were not referenced to any authorization</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)
	documents, to support the internal control system on stock management. In the absence of any authorization document to support issuance of the goods to the respective departments or directorates, effective internal control and risk of loss of the inventory could not be confirmed.			
2. Failure to Use Acquired Financial Management Systems in Preparation of Financial statements	The statement of financial position reflects an amount of Kshs.2,236,720 relating to intangible assets,	Management was not able to extract financial statements directly from the system due to its weakness. The system weaknesses have been communicated to the service	Unresolved	1 year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>which as disclosed in note 23 to the financial statements relates to acquired financial management system to record all transactions procured in the year 2020. However, during the year under review, the Institute did not rely on the system in producing its financial reports. Instead the management had to use manual interventions to prepare the financial statements which were prone to errors and omissions.</p>	<p>provider</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)
	In the circumstances, the Institute inability to use the accounting system in place has impacted on the accuracy and integrity of the financial statements on the completeness, consistency of the financial statements and reliability.			
<b>3. Weak Internal Audit Function</b>	The Internal audit department had an annual work plan which directed its audit programme during the year under review. However, review of the audit work plan	Management has established a structured board almanac for all the Board committees and the full board, including the Audit committee which ensures that all board committees are able to hold quarterly meetings. In addition, the internal audit function has established its	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)
	revealed that only one report under quarter 3 was provided for audit. In absence of a functioning internal audit, the effectiveness of the internal control risk management and mitigation measures could not be confirmed.	calendar that ensures all functional areas are covered and quarterly reports submitted to the board.		
1. Inaccuracies in the Financial Statements	The statement of changes in net assets reflects additions of Kshs.24, 938,038 in respect of capital fund. However, the nature and purpose of the fund's	The amounts spent in capital fund addition were savings from school fees and other internally generated funds.The difference in capital fund between changes in net assets and cash flows are because increase in the value of the cattle of the institute (as per	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>additions have not been supported. In addition, the amount of Kshs.24, 938,038 differs with the amount of Kshs.24, 884,538 reflected in the statement of cash flows as additions during the year, resulting to un-reconciled variance of Kshs.53,500. Further, Note 23 to the financial statements reflects addition to property, plant and</p>	<p>the end year valuation), which are none-cash items. The total fair value gain was kshs 53,500</p> <p>The difference of kshs 221,000 is the cash flow paid to acquire biological assets, which are classified differently and do not appear under PPE and Intangible assets.</p> <p>The amount of kshs 1,115,380 is for work in progress from the previous year, which has been transferred to assets account.</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>equipment and intangible assets amount of Kshs.17,063,538 and Kshs 7,600,000 respectively totaling Kshs 24,663,538 which is at variance with Kshs 24,884,538 reflected in the statement of cash flows as additions resulting to an un-reconciled variance of Kshs 221,000.</p> <p>In addition, the statement of</p>			

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>changes in net assets reflects an unexplained deficit for the year under capital fund amounting to Kshs.1, 115,380.</p> <p>In the circumstances, accuracy and completeness of the financial statements could not be confirmed.</p>			
<p><b>2. Variances between Financial Statements and Debtors Ledger</b></p>	<p>The statement of financial position and as disclosed in Note 21 to the financial statements</p>	<p>The student debtor's movement has been reconciled with student ageing analysis for your review. Management has since put in place a mechanism of end of</p>	<p>Resolved</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>reflects receivables from exchange transactions balance of Kshs.128,641,318 which is net of provision for bad debts of Kshs.26,348,222. The gross amount of Kshs.154,989,540 include student debtors balance of Kshs.153,605,067 whose movement from the prior year was Kshs.35,413,292. The movement indicate increase in</p>	<p>term clean up of student debtors.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>debtors by the same amount in the year under review. However, debtors' aging analysis provided for audit reflected current year's new debtors of Kshs.39,921,788 resulting to an unexplained and un-reconciled variance of Kshs.4,508,496. This was contrary to IPSAS 1.27 which requires that financial statements shall present fairly the financial</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>position, financial performance and cash flows of an entity. Further, there was no evidence that Management carried out clean up and periodic reconciliations of students' debtors.</p> <p>In the circumstances, accuracy and completeness of the receivables from exchange transactions balance of Kshs.128,641,318</p>			

**Ramogi Institute of Advanced Technology**  
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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)
	could not be confirmed.			
3. Long Outstanding Student Debtors	The statement of financial position reflects a balance of Kshs.128,641,318 in respect of receivables from exchange transactions and as disclosed in Note 21 to the financial statements which is net of provision of doubtful debts amount of Kshs.26,348,22, and includes a balance of Kshs.153,605,067	<p>Student debtors outstanding beyond one year are for government sponsored students and capitation amounts have been decreasing</p> <p>The finance policy has since been reviewed and now has clear guidelines on credit and debt management.</p>	Unresolved	

**Ramogi Institute of Advanced Technology**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>in respect of gross students' debtors. However, an amount of Kshs.113,963,881 included in the gross students' debtors balance had been outstanding for a period beyond one year and no effort had been made by Management to recover the debts. This is contrary to Regulation 83 (2) of Public Finance Management (National Government)</p>			

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**Annual Report and Financial Statements for the year ended 30th June 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Regulations, 2015 which states that for purposes of this regulation, sound cash management includes pursuing debtors with appropriate sensitivity and reasonable effort to ensure that amounts receivable by the government are collected and banked promptly. Further, the institute lacked a credit control and debts management policy which is</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>useful to provide guidelines on contractual obligations students and other debtors.</p> <p>In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.113,963,881 could not be confirmed</p>			
4. Unsupported and Long Outstanding Payables	The statement of financial position and as disclosed in Note 26 to the	The pending bills of Kshs2, 030,922 by 30 <sup>th</sup> June 2024 have since been settled. The delay in settling the bills was as a result of	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>financial statements reflects trade and other payables balance of Kshs.92,098,614. Review of analysis and schedules provided for audit revealed that, included in the payables balance is trade payables balance of Kshs.2,030,922 which have been outstanding for over one year. No explanation was provided for the non-payment.</p>	<p>delayed submission of invoices by the suppliers.</p> <p>A journal voucher to support adjustments on prepayments from Kshs 22,899,713 to Kshs20,630,294 have been provided or your review.</p>		

**Ramogi Institute of Advanced Technology**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Failure to clear the bills was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that debt service payments shall be a first charge in the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on</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>debt obligations. Further, the prepayments balance of Kshs.22,899,713 was adjusted from Kshs.20,630,294. However, Management did not provide respective journal vouchers to support the adjustment including the authorization and explanation of the nature of the adjustments.</p> <p>In the</p>			

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**Annual Report and Financial Statements for the year ended 30th June 2025**

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>circumstances, the validity of the adjustments made and the accuracy of the financial statements could not be confirmed.</p>			
<p><b>5. Unsupported Fees from Students</b></p>	<p>The statement of financial performance reflects Kshs.146,450,139 in respect of rendering of services – fees from students and as disclosed in Note 8 to the financial statements. Review</p>	<p>The system was configured to generate student data with admission numbers as unique identifiers. We have informed the supplier to reconfigure the system so that it can produce student data with the information required by the auditors.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>of students' fees records provided for audit revealed continuing students applicable fee was charged at Kshs.56,420 whereas new admissions were charged fee of Kshs.67,189 per student. However, management did not provide students enrollment data indicating their names, the admission numbers and dates and fees invoiced.</p>			

**Ramogi Institute of Advanced Technology**  
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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)
	In the circumstances, the completeness and accuracy of rendering of services – fees from students of Kshs.146,450,139 could not be confirmed.			
Unresolved Prior Year Audit Matters	Review of the annual report and financial statements revealed that there are several issues under report on the financial statements, report on lawfulness and effectiveness in use	Prior year issues pending are: i. Land titles for which the cases are in court, ii. Long outstanding debts iii. budget underperformance caused by factors beyond the Institute iv. Non-Compliance with Affirmative Action on		

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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>of public resources and report on effectiveness of internal controls, risk management and governance that have not been resolved.</p> <p>Management has not indicated the likely time when the issues will be addressed or the action taken towards their resolutions</p>	<p>Gender, Ethnicity and Regional Distribution, which is being addressed gradually</p>		
1. Weaknesses in Management of	The statement of financial	We have commenced assets valuation process and once completed the report shall	Unresolved	1 year

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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)
Rental Revenue	<p>performance reflects rental revenue from facilities and equipment of Kshs.1,678,635 which as disclosed in Note 10 to the financial statements include Kshs.380,250 in respect to rent from staff housed at the institution. Information provided by Management indicated the Institute maintained ten (10)</p>	<p>advice on the current rental rates which then will be effected. Management has commenced a process of recovering the unpaid rent from staff who are in default</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>two-bedroom staff houses which they charged Kshs.2,550 per month. However, the rate charged was significantly below the prevailing market rates which may have resulted to potential revenue losses. Further, the statement of financial position and as disclosed in Notes 21 to the financial statements reflects rent debtors balance of</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Kshs.1,384,473, out of which some staff arrears have been outstanding for more than five (5) years. This was contrary to Regulation 64 (1a) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer is personally responsible for ensuring that adequate safeguards</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>exist and are applied for the prompt collection and proper accounting for revenue.</p> <p>In the circumstances, it was not possible to confirm existence of effective internal controls to ensure collection of outstanding rental income balances.</p>			
3. Failure to Carry out Risk Assessment in Financial Processes	Review of the risk processes within the Institute revealed that although there	Risk assessment on all key financial risk areas has since been performed and a risk a	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>was an approved Risk Management Policy in place, the Management did not perform formal risk assessments on all key financial risk areas such as revenue, expenditure and cash. This was contrary to Regulation 165(1) of the Public Finance Management (National government) Regulations, 2015 which provides that Accounting Officer</p>	<p>assessment report provided for your review.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. In the absence of a risk management policy, the management is not able to identify individual risks, the</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>likelihood of identified risks, and the appropriate controls.</p> <p>In the circumstances, the effectiveness of risk management strategies could not be confirmed.</p>			
<p><b>4. Weakness in Internal Controls in Pay As You Eat System</b></p>	<p>Review of effectiveness of internal controls on collection of Pay As You Eat (PAYE) revenue revealed that Management used manual</p>	<p>Management has put in place measures to ensure that the PAYE system is fully accountable by automating the processes.</p>	<p>Unresolved</p>	<p>1 Year</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>records. Further, it was noted that the Institute did not maintain accountable documents register to track key financial and administrative documents such as receipt books, invoices and other requisite accountable documents.</p> <p>In the circumstances, the existence of effective internal</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	controls to safeguard against revenue loss and key processes of internal controls capable to provide an audit trail could not be established.			
5. Integrity of the ERP System	Review of top view analysis of the ERP Optimum System which is running on SQL 2022 database confirmed that the nine (9) modules for each department are functional. However, review of the user access rights	The ERP System's integrity and security risks as raised by the auditors have been discussed with the vendor.  The vendor has since addressed the issues and can now only access the system with our explicit permission of the Principal. Access to the ERP system by the service provider is now strictly regulated; they can		

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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>tab revealed that the vendor has super access rights and can access all module under Finance Department. It was noted that the vendor could create a receipt book, generate and approve invoices, edit customer invoice and post payment. Further, it was noted that the system admin had his delete function enabled and could delete reporting</p>	<p>only gain access with explicit permission of the Principal, which is secured by a mandatory security code.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>records under student management. Further review of the system revealed one could not get any information or audit trail on any deleted transactions for any period which is huge system risk on accountability.</p> <p>In the circumstances, the integrity, security and reliability of the Institute's Management Information System</p>			

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

Name  
 Accounting Officer (The Principal) *G. M. M. M. M.*  
 Date *04/12/2025*

**Ramogi Institute of Advanced Technology**  
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**Appendix II: Projects Implemented**

**Projects**

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 YISA-FARM AFRICA		MasterCard foundation	2years	27,262,979	Yes	Yes
2 FOOD AND AGRICULTURAL ORGANIZATION		True Fish	2years	8,930,841	Yes	Yes

**Status of Projects completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	YISA FARM AFRICA	27,262,979	21,318,215	77	27,262,979	21,318,215	YISA FARM AFRICA
2	FOOD AND AGRICULTURAL ORGANIZATION	8,930,841	8,930,841	100	8,930,841	8,930,841	FOOD AND AGRICULTURAL ORGANIZATION

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity State department of TVET

Name of beneficiary entity Ramogi Institute of advanced technology

**Confirmation of amounts received by Ramogi Institute of Advanced Technology as at 30<sup>th</sup> June 2025**

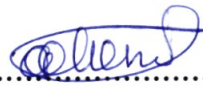
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	20-9-2024	1,263,153	-	1,263,153	Scholarship grants
	20-9-2024	4,353,847	-	4,353,847	Scholarship grants
	20-9-2024	517,355	-	517,355	Scholarship grants
	20-9-2024	8,452,376	-	8,452,376	Scholarship grants
	23-9-2024	5,650,594	-	5,650,594	Scholarship grants
	20-9-2024	13,903,100	-	13,903,100	Capitation grants
	23-9-2024	10,215,000	-	10,215,000	Capitation grants
	17-2-2025	53,508,000	-	53,508,000	Capitation grants
<b>Total</b>		<b>97,863,426</b>		<b>97,863,426</b>	

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

**Head of Accounts Department - Disbursing Entity:**

Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**

Name GEORGE ADORO Sign  Date 4/12/2025

**Appendix IV: Reporting of Climate Relevant Expenditures**

The board incurred a total of kshs 178,420 to plant 6350 trees in the college.

**Appendix V: Reporting on Disaster Management Expenditure**

The board did not incur any expenditure on disaster.