

REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 APR 2026 DAY: Tuesday

OF

TABLED BY:	Hon. Naomi Wago, CBS, MP (Deputy Majority Whip)
CLERK-AT THE-TABLE:	Inzofu Mwale, BSc

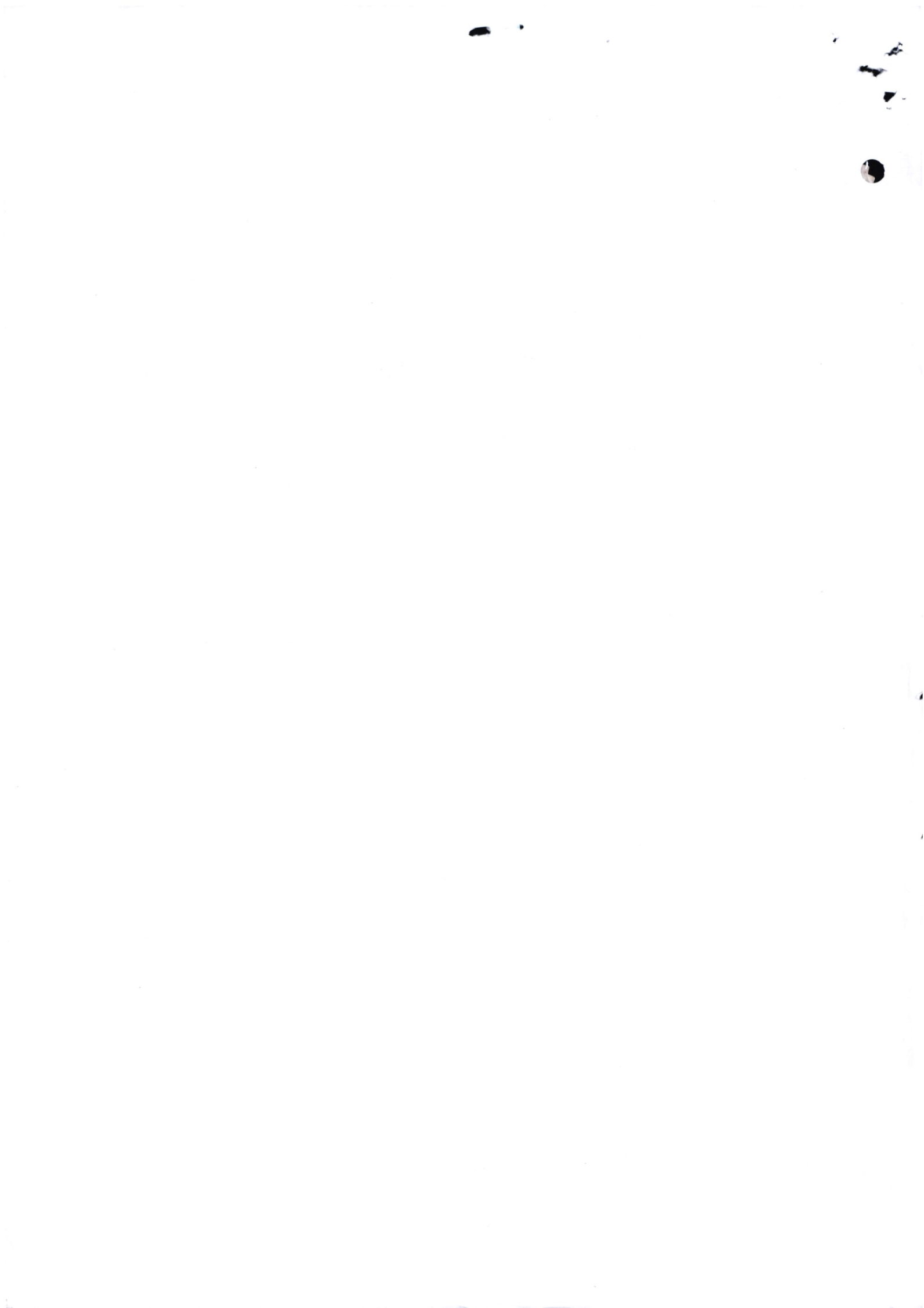
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**THE AUDITOR-GENERAL**

**ON**

**TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE**

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





MINISTRY OF EDUCATION, STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

# TANA RIVER TECHNICAL & VOCATIONAL COLLEGE

Appropriate Skills and Knowledge for Development



P.O Box 25 - 70101 Hola, Tana River  
Tel: 0703 386 688 Email: tanarivertvc@gmail.com



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## TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE

### 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)

**TANA RIVER TECHNICAL AND VOCATIONAL**  
**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**

**Acronym Full Form**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TRTVC	Tana River Technical Vocational College
TVET	Technical and Vocational Education and Training
CCTV	Closed-Circuit Television
ICT	Information and Communication Technology
QMS	Quality Management System
CBET	Competency-Based Education and Training
HELB	Higher Education Loans Board
MOU	Memorandum of Understanding
NACOSTI	National Commission for Science, Technology and Innovation
MIS	Management Information System
ISO	International Organization for Standardization
NGO	Non-Governmental Organization
CPA(K)	Certified Public Accountant (Kenya)
MBA	Master of Business Administration
KNTQAF	Kenyan National TVET Quality Assurance Framework
KMTC	Kenya Medical Training College
PSC	Public Service Commission
PAYE	Pay As You Earn
NSSF	National social security fund
NHIF	National Hospital Insurance Fund

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**B. Definition of Key Terms**

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

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

**3. Key Entity Information and Management**

**(a) Background information**

Tana River Technical and Vocational College is part of the national TVET infrastructure development program (Phase 60/70), established to provide technical training in counties that previously lacked Technical Training Institutes (TTIs). The college is located in Hola Town, Galole Constituency, Tana River County, approximately 10 kilometers from the town center. It occupies a 12.14-hectare parcel of land in a remote area with limited nearby human settlement. The institution is governed by a Board of Governors appointed by the Ministry of Education and is administered daily by a Principal appointed under the State Department for Vocational and Technical Training.

**(b) Principal Activities**

**Principal Activity / Mission**

The principal activity of Tana River Technical and Vocational College (TRTV) is to train a highly skilled workforce suitable for professional development through quality, inclusive, and equitable TVET programs that respond to national and global competitiveness. The College is committed to implementing training in technical and vocational disciplines, carrying out applied research, and promoting innovation that translates into tangible products and services.

**Our Mission**

To train competent and innovative manpower in technical and vocational disciplines to meet the changing needs of industry and society.

**Our Vision**

To be a Centre of Excellence in Technical Training and Research.

**Our Core Values**

- i. Responsiveness
- ii. Versatility
- iii. Teamwork
- iv. Transparency
- v. Integrity

# TANA RIVER TECHNICAL AND VOCATIONAL

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### Core Functions

The core functions of Tana River Technical and Vocational College include:

1. Enhancing access to TVET training by providing opportunities for all eligible trainees.
2. Promoting equity in education and training by supporting lifelong learning opportunities.
3. Ensuring quality and relevance in training through a culture of research, creativity, and innovation among trainees and staff.
4. Establishing good governance practices for operational efficiency and effectiveness.
5. Enhancing institutional attractiveness through strategic collaborations and linkages with research institutions, industry, and professional bodies both locally and internationally.
6. Promoting technological relevance by integrating ICT in training and management.
7. Strengthening the financial base of TRTVC to support sustainable institutional growth and service delivery.

### (c) Key Management

- **Board of Governors**

- Provides strategic direction, oversight, and policy guidance.

- **Principal**

- Serves as the chief executive officer, responsible for the implementation of board decisions and overall institutional administration.

- **Management Team**

- Comprises departmental heads and senior staff who assist in operational planning, coordination, and execution of programs and services.

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**(d) Fiduciary Management**

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

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	Mohamed Adan Sora
2.	Deputy principal	Francis Wandeto
3.	Registrar (s)	Mairi Simon Kaluku
5	Dean of students	Ngumbao Fundi
6	Head of Finance	Wafula Bryan

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**Key Entity Information and Management (Continued)**

**(e) Entity Headquarters**

Tana River Technical and Vocational College  
P.O. Box 25-70101  
HOLA, TANA RIVER COUNTY  
KENYA

**(f) Entity Contacts**

Telephone :( 254)703 386688  
E-mail: [tanarivertvc@gmail.com](mailto:tanarivertvc@gmail.com)

**(g) Entity Bankers**

Kenya Commercial Bank  
P. O. Box 48400 – 00100  
Hola Branch  
Hola, Kenya

**(h) Independent Auditors**

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

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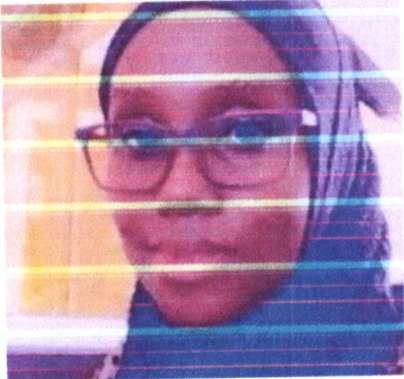

**Key Entity Information and Management (Continued)**

**(i) Principal Legal Adviser**

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

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**4. The Board of Governors**

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<p>– Board Chairman</p>  <p>MR. Hussein Bodole</p>	<p>Hussein Bodole, 58, is an accomplished medical educationist and public health professional. He holds a Master’s in Medical Education from Dundee University, a Higher Diploma in Medical Education, and a Diploma in Pharmacy. He has served as a Lecturer and Principal at KMTC, County Transition Coordinator during health sector reforms, and Volunteer Consultant in health training. He is currently transitioning into a role as Pharmaceutical Coordinator.</p>
2.	<p>Board Member</p> 	<p>Miss Asha Ajuu Saidi, aged 30, is a seasoned professional in Accounting and Finance with a strong academic and professional foundation. She holds a Master of Business Administration in Finance and a Bachelor of Science in International Business Administration, in addition to being a Certified Public Accountant (CPA K). Asha is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), reflecting her commitment to professional standards and continuous development. She currently serves as an Accounting Officer at the Tana River County Public Service Board, where she applies her expertise to support effective financial management and organizational performance</p>
3.	 <p>MR MOHAMED ADAN SORA Principal and Secretary</p>	<p>Mr. Mohamed Adan Sora, 39, is the Principal of Tana River Technical and Vocational College and Secretary to its Board of Governors. He holds a Bachelor’s Degree in Business Information Technology from Mount Kenya University and is pursuing an MBA in Management Information Systems at Kenyatta University. Under his leadership, the college has focused on improving educational quality, infrastructure, and skills development aligned with national TVET goals. His roles reflect a commitment to integrating technology and effective management practices while actively participating in strategic decision-making for the institution.</p>

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**5. Key Management Team**

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	Mohamed Adan Sora 	Mr. Mohamed Adan Sora, 39, is the Principal of Tana River Technical and Vocational College and Secretary to its Board of Governors. He holds a Bachelor’s Degree in Business Information Technology from Mount Kenya University and is pursuing an MBA in Management Information Systems at Kenyatta University. Under his leadership, the college has focused on improving educational quality, infrastructure, and skills development aligned with national TVET goals. His roles reflect a commitment to integrating technology and effective management practices while actively participating in strategic decision-making for the institution.
2.	Wandeto Francis Ndirangu 	The Deputy Principal holds a Higher National Diploma in Electrical Engineering and plays a key role in overseeing academic programs, staff supervision, and institutional development. He supports the Principal in implementing policies, maintaining training standards, and promoting competency-based education. With a strong technical background, he contributes to curriculum improvement, infrastructure planning, and the integration of practical industry skills to enhance training quality and employability of graduates.
3.	Mairi Simon Kaluku 	The Ag. Registrar holds a Bachelor’s Degree in Agribusiness Management and Trade. He is responsible for overseeing admissions, academic records, and examination processes while ensuring compliance with institutional and regulatory standards. His expertise in agribusiness contributes to efficient administrative systems and supports the college’s focus on practical, market-oriented training.
4.	Ngumbao Fundi 	The Ag. Dean of Students holds a Bachelor’s Degree in Computer Science and is responsible for coordinating student welfare, discipline, and co-curricular activities. He provides guidance and counselling, promotes student engagement, and ensures a supportive learning environment. His background in computer science enhances the integration of digital tools in student services and communication within the institution.

## **6. Chairman's Statement**

The Office of the Chairperson of the Board of Governors of Tana River Technical and Vocational College has been actively engaged throughout the year under review in overseeing the management of the college's affairs. We acknowledge the prevailing challenges, including limited equipment and learning facilities, security concerns, understaffing, and insufficient teaching resources. More significantly, there remains a cultural perception that associates technical training with menial work. Addressing this requires a fundamental shift in mindset, which we are championing by working closely with community leaders to sensitize and educate the public on the value of technical and vocational education for our youth. The Board remains committed to ensuring that the institution adapts to the evolving demands of the future.


We intend to strengthen collaboration with various public and private sector partners to advance the growth of the institution. Our commitment to fulfilling our mandate drives us to actively engage all stakeholders willing to contribute to this mission.

During the year under review, college management undertook an extensive outreach campaign across Tana River County and neighboring areas. Our primary objective is to increase student enrollment through targeted strategies and outreach initiatives designed to raise the institution's profile both locally and regionally. On the matter of security, management has implemented measures to enhance safety; however, the college urgently requires perimeter fencing to further safeguard staff and students.

As a Board, we continuously strive to establish and uphold robust governance frameworks that ensure compliance with ethical standards and promote prudent leadership practices that add value to the College. The institution remains a responsible corporate citizen, diligently fulfilling its obligations to staff, students, and the nation at large.

The college made significant progress during the review period in advancing its mandate, supported by the Ministry of Education and the State Department of Vocational and Technical Training. Consequently, the college has commenced student admissions and is actively working towards full operational capacity. Overall performance continues to improve steadily.

We extend our sincere gratitude to the State Department of Vocational and Technical Training and the Ministry of Education, without whose support these achievements would not have been possible. Finally, I would like to thank my fellow Board Members and the Management team for their dedication and efforts towards the realization of the college's mandate.



**Hussein Bodole**

**Chairman Board of Governors**

## **7. Report of the Principal**

### **Principal's Statement**

Pursuant to Section 83 of the Public Finance Management Act, 2012, I am pleased to present the Tana River Technical and Vocational College Annual Report and Financial Statements for the year ended 30 June 2025. This report outlines the College's key achievements, strategic direction, and financial performance for the reporting period. It also reflects our continued commitment to providing quality Technical and Vocational Education and Training (TVET) in line with the national development agenda and the Kenya Vision 2030 framework.

During the year under review, the College continued to strengthen its institutional capacity through targeted interventions aligned with our emerging Strategic Plan (2025–2028). The plan is designed to guide institutional growth through focused investment in human resource development, infrastructure expansion, curriculum innovation, and digital transformation.

Key strategic focus areas include:

- Curriculum implementation and development of market-driven programs
- Facilities improvement and infrastructure expansion
- Human resource development and staff capacity building
- Enrollment growth and tracer studies to assess graduate outcomes
- Resource mobilization and financial sustainability
- Strengthened linkages, partnerships, and networking
- Governance and institutional leadership enhancement
- Student welfare, mentorship, and co-curricular engagement
- Research, innovation, and development initiatives
- ICT integration and digital learning solutions
- Promotion of education for sustainable development

These strategic priorities align with national TVET reforms spearheaded by the State Department for Technical, Vocational Education and Training and the Technical and Vocational Education and Training Authority (TVETA). They reinforce our mandate to deliver relevant, inclusive, and competency-based training that addresses the evolving needs of the labour market.

### **Institutional Progress and Achievements**

The College made steady progress in both academic and administrative areas. New courses in engineering, business, ICT, and applied sciences were developed and submitted for accreditation. The Competency-Based Education and Training (CBET) model continued to guide instructional design and assessment, promoting practical skills and industry relevance.

Efforts were made to enhance quality assurance systems in line with the Kenyan National TVET Quality Assurance Framework (KNTQAF). Staff participated in quality assurance capacity-building workshops, and the institution advanced the process of implementing an internal Quality Management System (QMS) based on ISO standards.

Infrastructure development remained a major priority. The College completed key projects such as the construction of additional workshops, classrooms, and sanitation facilities. Plans are

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underway to install CCTV surveillance systems and complete the perimeter fencing of the institution to enhance security. Landscaping works and campus beautification also began, improving the overall institutional image. The College strengthened collaborations with government agencies, development partners, and private sector institutions through Memoranda of Understanding (MoUs). These partnerships have supported student industrial attachments, trainer development, and resource sharing in line with our goal of expanding industry linkages. ICT integration advanced significantly during the year. The College expanded internet connectivity and established an internal Management Information System (MIS) to improve administrative efficiency, data management, and communication. A virtual learning pilot was also initiated to support blended learning, particularly in theory-based courses.

### **Human Resource Development**

The College recognizes that its success depends heavily on a motivated and qualified workforce. During the year, staff training and development initiatives were intensified, with several trainers pursuing professional certifications such as CPA(K), Diploma in Technical Trainer Education, and MBA programs. Despite progress, staffing remains a major challenge. The College currently operates with limited teaching and non-teaching staff, forcing reliance on Board of Governors (BOG) trainers. During the 2024/2025 financial year, the College maintained 12 BOG trainers, an increase from 10 in the previous year, to support the growing number of academic programs. The Board continues to engage relevant authorities for additional staffing through the Public Service Commission and TVET Directorate.

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### **Challenges and Mitigation Measures**

#### **1. Staffing Gaps**

The shortage of qualified trainers remains a major impediment to effective curriculum delivery. The College continues to bridge this gap through short-term BOG engagements and mentorship of young trainers while lobbying for more government-deployed staff.

#### **2. Infrastructure and Security**

The institution still faces security challenges due to incomplete fencing and limited lighting. Plans are in place to fully fence the college compound, install additional **CCTV cameras**, and deploy security lighting to safeguard both staff and trainees.

#### **3. ICT Connectivity and Digital Infrastructure**

Internet bandwidth, though improved, remains below optimal levels. The College intends to upgrade its connectivity through partnerships with service providers and integration into the **National Optic Fibre Backbone Infrastructure (NOFBI)** for reliable, high-speed internet access.

#### **4. Financial Constraints**

Funding gaps continue to limit project implementation and operational efficiency. The

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College is exploring diverse resource mobilization strategies, including consultancy services, short courses, and partnerships with industry players to generate additional income.

**5. Student Accommodation and Welfare**

Due to the institution's remote location, students often face accommodation and transportation challenges. Plans are underway to construct hostels and establish a student welfare fund to enhance retention and safety.

**Way Forward**

In the next financial year, the College will continue to focus on:

- Completing fencing, CCTV installation, and landscaping to improve campus security and aesthetics
- Strengthening human capital through targeted recruitment and professional development
- Expanding CBET programs and ensuring full TVETA accreditation for all courses
- Enhancing digital learning and management systems for efficiency and accessibility
- Building strong institutional partnerships to support research, innovation, and student placement
- Promoting environmental sustainability through tree planting, waste management, and green campus initiatives

**Conclusion**

The 2024/2025 financial year marked a period of significant institutional growth, reflection, and strategic realignment. Despite challenges, Tana River Technical and Vocational College remains committed to delivering high-quality, competency-based training that empowers youth with employable skills and fosters socio-economic development in line with Kenya's TVET transformation agenda.

On behalf of the Board of Governors, management, and staff, I extend appreciation to all our stakeholders for their continued support and partnership as we work toward building a center of excellence in technical and vocational education.



**Mr. Mohamed Adan Sora**

*Principal / Secretary to the Board of Governors*

*Tana River Technical and Vocational College*

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

Tana River Technical and Vocational College's strategic pillars within its strategic plan being developed are as follows.

1. Curriculum implementation and development,
2. Facilities & infrastructure development,
3. Human resource development,
4. Enrolment and tracer studies,
5. Resource mobilization
6. Linkages, partnerships and networking,
7. Governance,
8. Student welfare
9. Research, innovation and development
10. ICT integration
11. Education for sustainable development

The Institution is geared towards achieving its performance targets set for the financial year 2024/2025 period for its eight strategic pillars as indicated in the diagram below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Curriculum Implementation &amp; Development</b>	Implement and design market-oriented and demand-driven programs	- Number of courses offered - Number of accredited and licensed courses	- Acquire approved syllabi - Obtain accreditation - Implement course content - Promote flexible learning - Introduce virtual learning	Successfully implemented new market-driven courses with full accreditation and licensing. Virtual learning platform piloted.
Ensure quality assurance in curriculum delivery	- Compliance to ISO QMS - Examination & root cause analysis reports	- Implement ISO QMS procedures - Analyze exams - Conduct root cause analysis - Integrate standards into QMS	ISO QMS procedures fully adopted; exam analysis led to improved student pass rates by 15%.	Ensure quality assurance in curriculum delivery
Design competence-based courses	- Number of CBET courses - Evidence of	- Develop market needs assessment tool	4 CBET courses developed and integrated;	Design competence-based courses

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incorporating workplace skills	course modification	<ul style="list-style-type: none"> <li>- Modify existing courses</li> <li>- Develop CBET courses</li> <li>- Offer tailor-made courses</li> </ul>	increased employer satisfaction with graduate skills.	incorporating workplace skills
<b>Facilities, Infrastructure &amp; Equipment</b>	Upgrade college facilities and infrastructure	<ul style="list-style-type: none"> <li>- Number of renovations and expanded facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Renovate existing facilities</li> <li>- Improve pathways</li> </ul>	Renovated workshops and improved campus pathways; enhanced workshop safety standards.
<b>Human Resource</b>	Recruit, retain, and maintain qualified staff	<ul style="list-style-type: none"> <li>- Number of qualified staff recruited</li> <li>- Staff appraisal &amp; promotion records</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct recruitment</li> <li>- Perform skills gap analysis</li> <li>- Review terms of service</li> <li>- Reward staff performance</li> </ul>	Recruited new trainers; implemented staff appraisal system; promoted 3 deserving staff members.
<b>Enrolment</b>	Determine optimum carrying capacity for courses	<ul style="list-style-type: none"> <li>- Enrolment statistics</li> <li>- Carrying capacity reports</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor course capacity</li> <li>- Conduct continuous marketing</li> </ul>	Student enrolment increased, with optimum class sizes maintained across programs.
<b>Resource Mobilization</b>	Identify and secure financial resources	<ul style="list-style-type: none"> <li>- Audit reports</li> <li>- Financial progress reports</li> </ul>	<ul style="list-style-type: none"> <li>- Lobby governments and donors</li> <li>- Expand income-generating activities</li> </ul>	Advised students to apply for Helb loan.
<b>Linkages, Partnerships &amp; Networking</b>	Strengthen and expand strategic partnerships	<ul style="list-style-type: none"> <li>- Number of established linkages</li> </ul>	<ul style="list-style-type: none"> <li>- Engage partners for MOUs</li> <li>- Establish industrial collaborations</li> </ul>	Established MOUs with local industries and NGOs enhancing internship and resource access.
<b>Governance</b>	Maintain and improve good governance principles	<ul style="list-style-type: none"> <li>- Compliance percentage to laws and regulations</li> <li>- Job</li> </ul>	<ul style="list-style-type: none"> <li>- Review organizational structure</li> <li>- Develop job descriptions</li> <li>- Conduct job</li> </ul>	Governance framework updated; staff sensitization sessions conducted;

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		descriptions and evaluations	evaluations - Staff sensitization	compliance to regulations.
<b>Student Welfare</b>	Enhance student training experience	- Number of recreational facilities - Trainee retention & completion rates	- Upgrade playing fields - Increase indoor sports facilities - Provide career counselling - Promote co-curricular activities	Upgraded sports facilities; career counselling services established; retention rates improved.
<b>Research, Innovation &amp; Development</b>	Enhance research capacity	- Number of funding agencies identified - Research funding secured	- Liaise with NACOSTI and other funders	
<b>ICT Integration</b>	Integrate ICT in management and teaching	- Number of computers - % coverage of CCTV and Wi-Fi - MIS modules	- Expand MIS - Conduct ICT audit - Acquire hardware/software - Enhance CCTV network - Increase bandwidth and Wi-Fi coverage	Expanded internet bandwidth; MIS expanded to finance and Procurement.
<b>Education for Sustainable Development</b>	Promote operational sustainability	- Reports on sustainable practices - Number of green spaces created	- Identify unsustainable spaces/activities - Develop sustainability plan - Maintain green spaces	Developed sustainability plan; created green zones on college; ongoing monitoring in place.

**9. Corporate Governance Statement**

The college affirms that good corporate governance is simply good business. The college commits to ensure that we comply with the statutory and all the legal requirements as well as meeting the set deadlines.

The core mandate of the institution is training as well as carrying out research activities. This entails imparting CBET skills, attitude and knowledge to the trainees. There are Four (6) departments and basically engineering courses collectively form our centre of excellence including Agriculture, Electrical and Electronics Engineering, Information Communication Technology, Business studies, Community development and Secretarial departments.

The current student population by the close of the year under review stood at stand at 187 Students. We have always endeavoured to ensure that we hit the 200 marks but this has been a challenge. The total staff population is about 10 trainers, both the PSC employees together with these on contract.

During the year under review, the college did not engage in several regional and national activities such as ball games and sports because of financial constraints.

Senior staff during the year underwent several capacity building sessions in Mombasa, and Nairobi to increase their management skills.



**Mohamed Adan Sora**

**Principal Secretary to the Board of Governor**

## **10. Management Discussion and Analysis**

Tana River Technical and Vocational College began its operations in September 2021 with the admission of its first cohort of trainees. Since then, the College has made steady progress in establishing systems and structures necessary for effective training delivery, administration, and governance. The institution continues to focus on expanding access to quality technical and vocational education in line with national TVET goals.

During the year ended 30 June 2025, the College recorded growth in student enrollment and program diversification. Training activities continued in the areas of Building and Civil Engineering, Electrical and Electronics Engineering, Information and Communication Technology, and Business Studies. The College also strengthened its internal management systems, enhanced its ICT infrastructure, and prioritized staff capacity development to improve academic delivery and service quality.

Financially, the College operated within its approved budget and maintained prudent utilization of resources. Revenue was mainly derived from government capitation, student fees, and internally generated income. Despite resource constraints, the College met most of its operational obligations and continued implementing key projects. These included the improvement of workshops, expansion of learning facilities, enhancement of ICT connectivity, and ongoing landscaping and fencing works to improve institutional security and image.

The Board of Governors remains committed to ensuring sound governance and oversight. Its priorities include:

1. Ensuring a functional management structure that upholds corporate integrity, reputation, and accountability.
2. Monitoring and evaluating the implementation of the College's strategies, policies, and management plans to achieve set objectives.
3. Overseeing the financial sustainability of the College through effective resource mobilization and expenditure control.
4. Ensuring full compliance with all applicable laws, regulations, and governance standards, including accounting and auditing requirements.
5. Addressing any material arrears or statutory obligations promptly to maintain compliance and financial discipline.

In summary, the Board and Management are jointly committed to operational efficiency, financial transparency, and continued development of Tana River Technical and Vocational College as a center of excellence in technical and vocational education.

### **Challenges**

- Inadequate physical facilities in the college such as student hostels are some of the challenges relating to low enrolment.
- The college is understaffed. The college incurred a lot of cost during the financial year
- The college is yet to receive the training equipment.

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- The college is yet to be fenced, hence security concern both for the students and the staffs.
- Hardship related issues hinder capacity growth of our staff and this results to low staff moral and little or no income generating activities to generate more income to the institution.
- The operational grant money received from the ministry is very little to meet the demands of the college

**College's compliance with statutory requirements**

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

**Key projects and investment decisions the College is planning/implementing**

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

**Major risks facing the College**

Operational risks in the college include

- Financial management and financial record keeping, College intends to Employ a finance officer and procurement officer.
- None payment of fees by students, the college is engaging partners to address the need.

**Material areas in statutory/financial obligations**

By the close of year in question, the college had NO pending bills and did not have any loan default or tax default on pension obligations to the exchequer.

**The College's financial probity and serious governance issues**

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

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

Tana River Technical and Vocational College affirms that good corporate governance is the foundation of sustainable institutional growth. The College is committed to complying with all relevant laws, regulations, and reporting deadlines while maintaining transparency, accountability, and ethical leadership. Our primary goal remains to provide a conducive learning and working environment that supports quality training, research, and innovation for our students, who are our key stakeholders.

### **1. Sustainability Strategy and Institutional Profile**

The core mandate of the College is to provide competency-based education and training (CBET) and to support applied research that addresses community and national development needs. The College imparts practical skills, positive attitudes, and relevant knowledge across its four main departments:

- Engineering and Applied Sciences (Center of Excellence) – including Electrical and Electronics Engineering and Agricultural Engineering
- Information and Communication Technology
- Business Studies
- Community Development and Secretarial Studies

The College's sustainability strategy emphasizes skills development for employability, responsible resource use, and continuous improvement in governance and academic delivery.

### **2. Environmental Performance and Climate Action**

The College is implementing an Environmental Management Policy that focuses on sustainability, waste management, and biodiversity protection. Neem trees—known for their drought resistance and ability to improve air quality—have been planted across the compound to reduce dust, increase shade, and enhance the aesthetic appeal of the institution.

Efforts are underway to strengthen waste segregation and disposal practices and to introduce water harvesting systems. The College is also exploring renewable energy options, such as solar power, to reduce its carbon footprint. As part of its future climate action initiatives, the College plans to integrate environmental awareness campaigns into student activities and training programs.

The College recognizes both the successes and challenges of its environmental efforts. Successes include increased vegetation cover and improved air quality. Shortcomings relate mainly to limited resources for large-scale landscaping and waste recycling, which the College aims to address through partnerships and government support.

### **3. Employee Welfare and Occupational Safety**

Tana River Technical and Vocational College values its employees and is in the process of finalizing a comprehensive Human Resource Policy. The policy addresses recruitment,

**TANA RIVER TECHNICAL AND VOCATIONAL  
Annual Report and Financial Statements for the year ended 30th June 2025**

appraisals, training, discipline, promotion, and dismissal procedures. It also includes provisions for workplace safety in compliance with the **Occupational Safety and Health Act (OSHA), 2007**.

The College maintains a safe and healthy work environment and is progressively establishing safety protocols, including fire safety drills, workplace inspections, and staff sensitization on occupational health standards. No major work-related injuries were recorded during the reporting period. The College continues to support staff motivation and professional growth through regular workshops and capacity-building programs in collaboration with partners such as the Kenya Association of Technical Training Institutions (KATTI).

**4. Marketplace Practices and Service Delivery**

The College operates under the framework of key legislation governing public institutions, including the TVETA Act, the Public Finance Management Act (2015), and the Public Procurement and Asset Disposal Act (2015). These laws guide all financial and procurement operations to ensure accountability and transparency.

A Service Delivery Charter is in place to define institutional commitments to stakeholders, specifying service timelines, feedback mechanisms, and complaint-handling procedures. The College is also in the process of developing a Contracts Management Procedure to standardize the award, implementation, and monitoring of all contracts, ensuring fairness and compliance with procurement laws.

The College consistently complies with statutory obligations, including timely submission of financial statements, deduction and remittance of statutory payments such as PAYE, NSSF, and NHIF, and adherence to audit and accounting standards.

**5. Community Engagement and Corporate Social Responsibility**

While the College is still in its early stages of growth, it recognizes the importance of community engagement. Plans are underway to initiate Corporate Social Responsibility (CSR) activities, including tree planting drives with local schools, outreach programs promoting vocational training, and environmental clean-up exercises. These initiatives will strengthen the relationship between the institution and the surrounding community while promoting shared responsibility in sustainable development.

**TANA RIVER TECHNICAL AND VOCATIONAL  
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**12. Report of Board of Governors**

The Council/Board of Governors hereby submits its report together with the audited financial statements for the year ended 30th June 2025, which reflect the state of the entity's affairs.

**Principal Activities**

The principal activities of Tana River Technical and Vocational College (TRTVC) continue to be the provision of quality technical and vocational education and training, aimed at equipping students with market-relevant skills to enhance their employability and contribute to socio-economic development.

**Results**

The financial results of Tana River Technical and Vocational College (TRTVC) for the year ended 30th June 2025 are detailed on page ....

**Board of Governors**

The members of the Board who served during the year are listed on page vii.

**Auditors**

The Auditor General is responsible for the statutory audit of Tana River Technical and Vocational College (TRTVC) in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.



**Secretary of the Board**

**Nairobi**

**Date:**

**TANA RIVER TECHNICAL AND VOCATIONAL  
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**13. 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 College, which give a true and fair view of the state of affairs of the College at the end of the financial year/period and the operating results of the College for that year/period. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

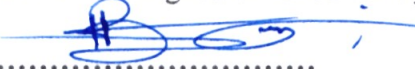
The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate 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 College; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The *Tana River Technical and Vocational College* financial statements were approved by the Board on 27/08/2025 and signed on its behalf by

.....  
  
Name **HUSSEIN BUDOZI**  
Chairperson of the Board

.....  
  
Name **Mohamed Aden Sm**  
Principal

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE 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 Tana River Technical and Vocational College set out on pages 1 to 39, 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.

## **Basis for Qualified Opinion**

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

Review of the financial statements presented for audit revealed inaccuracies as detailed below:

- i. The prior year comparative amount of Kshs.4,320,932 in respect of use of goods and services varies with the audited amount of Kshs.4,215,526, resulting in an unexplained variance of Kshs.105,406;
- ii. The comparative deficit of Kshs.530,210 differed with the audited deficit of Kshs.424,804, resulting in an unreconciled variance of Kshs.105,406;
- iii. The statement of changes in net assets reflects deficit for the year as Kshs.4,853,447 instead of surplus of Kshs.3,678,416, resulting in an unexplained variance of Kshs.8,531,863. Further, the statement reflects comparative accumulated deficits of Kshs.2,302,328 which excluded the deficit of Kshs.424,804 for the prior year.
- iv. The statement of financial position reflects comparative balance for accumulated fund of Kshs.2,280,577 instead of the audited balance of Kshs.2,302,328 resulting to an unexplained variance of Kshs.21,751.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

### **2. Unsupported Employee Cost**

The statement of financial performance reflects employee cost of Kshs.6,938,124 as disclosed in Note 9 to the financial statements. The amount includes salaries and wages of Kshs.3,779,000 whose supporting payroll was not provided for audit.

In the circumstances, the accuracy and completeness of the employee cost of Kshs.6,938,124 could not be confirmed.

### **3. Cash and Cash Equivalents Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,247,776 as disclosed in Note 13 to the financial statements. However, the balance includes main account balance of Kshs.1,206,087 which differed with the reconciled cashbook balance of Kshs.1,126,761, resulting to an unreconciled variance of Kshs.79,326.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,247,776 could not be confirmed.

#### **4. Unsupported Inventories Balance**

The statement of financial position reflects inventories balance of Kshs.148,420 as disclosed in Note 16 to the financial statements. However, the stock take sheets for the year were not provided for audit.

In the circumstances, the accuracy, existence and completeness of the inventories records balance of Kshs.148,420 could not be confirmed.

#### **5. Inaccuracies in Receivables from Exchange Transactions Balance**

The statement of financial position reflects Kshs.8,280,053 in respect to receivables from exchange transactions balance as disclosed in Note 14(a) to the financial statements. However, the supporting schedules provided for audit reflect receivables from exchange transactions balance of Kshs.18,630,282, resulting in an unreconciled variance of Kshs.10,350,229.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.8,280,053 could not be confirmed.

#### **6. Inaccurate and Unsupported Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.50,073,498 as disclosed in Note 18 to the financial statements. However, the following anomalies were noted:

- i. Included in the balance is Kshs.49,236,067 in respect of buildings of which a detailed schedule indicating the building description, location and cost were not provided for audit;
- ii. The balance excludes value of land on which the College sits and whose ownership documents including allotment letter or title deed was not provided for audit;
- iii. Note 18 to the financial statements reflects net book values of Kshs.49,236,067, Kshs.50,000, Kshs.610,295, and Kshs.309,836 in respect to buildings, motor bike, furniture and fittings, and plant and equipment respectively, which differed with the re-computed balances of Kshs.52,610,180, Kshs.60,000, Kshs.622,540, and Kshs.316,831 respectively, resulting to unreconciled variances of Kshs.3,374,113, Kshs.10,000, Kshs.12,245 and Kshs.6,995 respectively, all totalling Kshs.3,403,353;
- iv. The costs of computers were disclosed in Note 18 to the financial statements as Kshs.53,600 as at 30 June, 2024, which differed with the audited balance of Kshs.348,500 by Kshs.294,900;
- v. Note 18 to the financial statements refers to motor bike instead of motor vehicles

which was in the audited financial statements as at 30 June, 2024. Further, the net book values for the same component was disclosed as Kshs.60,000 instead of the Kshs.70,000 in the audited financial statements, resulting in an unexplained variance of Kshs.10,000.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.50,073,498 could not be confirmed.

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

### **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, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the following twelve (12) matters remained unresolved:

<b>No.</b>	<b>Audit Issue</b>
1	Inaccuracies in the Statement of Financial Performance
2	Inaccuracies in the Statement of Financial Position
3	Inaccurate Statement of Cash Flows
4	Inaccurate Cash and Cash Equivalents Balance
5	Incomplete Asset Register
6	Lack of an Approved Procurement Plan
7	Lack of an Approved Procurement Plan
8	Lack of an Approved Budget
9	Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements
10	Lack of Internal Audit Function and Audit Committee
11	Lack of Ownership Documents
12	Lack of a Properly Constituted Board

## **Other Information**

The Management are responsible for the Other Information set out on pages iii to xxiv which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, 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 College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-Compliance with Fiscal Responsibility Principles**

The statement of comparison of budget and actual amounts reflects NIL capital expenditure budget against actual expenditure of Kshs.646,310. This was in breach of Section 15(2)(a) of the Public Finance Management Act, 2012 which recommends that thirty per cent of the total budget be reserved for 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. Lack of Internal Audit Function and Audit Committee**

During the financial year under review, the College had not constituted an audit committee and an internal audit unit as required by Section 73 (1) of the Public Finance Management Act, 2012. The Section provides that, "every national government entity shall ensure that it complies with this Act and (a) has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board", and Regulation 43 of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to, (e) "ensure each national government entity has an audit committee in place".

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and internal audit function.

### **2. Lack of Properly Constituted Board**

As previously reported, records provided for audit indicate that the College only had two (2) duly appointed Members of the Board during the year under review, contrary to the Second Schedule Paragraph 1 of Technical and Vocation Education and Training Act, 2013 on Composition of Board of Governors for technical and vocational colleges which requires that the Board of Governors of a public institution shall consist of not less than seven (7) and not more than nine (9) members appointed by the Cabinet Secretary.

In the circumstances, the College Management did not benefit from the oversight role and other roles of governing bodies as stipulated by the guidelines.

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 Management and the Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 December, 2025

**TANA RIVER TECHNICAL AND VOCATIONAL  
Annual Report and Financial Statements for the year ended 30th June 2025**

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	5,783,754	6,633,794
Public contributions and donations		-	-
		<b>5,783,754</b>	<b>6,633,794</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	13,594,418	6,993,505
		<b>13,594,418</b>	<b>6,993,505</b>
<b>Total Revenue</b>		<b>19,378,172</b>	<b>13,627,299</b>
<b>Expenses</b>			
Use of goods and services	8	4,831,849	4,320,932
Employee costs	9	6,938,124	5,318,490
Board /Council Expenses	10	30,000	329,000
Depreciation and amortization expense	11	3,580,002	3,496,837
Repairs and maintenance	12	319,780	692,250
<b>Total Expenses</b>		<b>15,699,755</b>	<b>14,157,509</b>
<b>Other Gains/(Losses)</b>			
<b>Total Other Gains/(Losses)</b>		-	-
<b>Net surplus/(deficit) for the year</b>		<b>3,678,416</b>	<b>(530,210)</b>

*(The notes set out on pages 1 to 42 form an integral part of the Annual Financial Statements).*

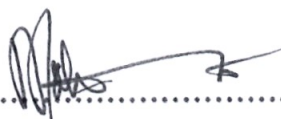
The Financial Statements set out on pages 1 to 36 were signed by:



.....  
**Chairman of Board**

Date

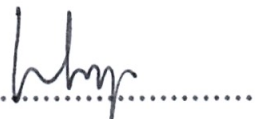
7/12/2025.



.....  
**Principal**

Date

02/12/2025



.....  
**Finance Officer**

Date


02/12/2025

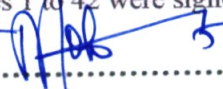
**TANA RIVER TECHNICAL AND VOCATIONAL**  
**Annual Report and Financial Statements for the year ended 30th June 2025**


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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	1,247,776	2,963,181
Current portion of receivables from exchange transactions	14(a)	8,280,053	4,815,970
Receivables from non-exchange transactions	15		
Inventories	16	148,420	
<b>Total Current Assets</b>		<b>9,676,249</b>	<b>7,779,151</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	18	50,073,498	56,429,787
Intangible assets	19	111,360	148,480
<b>Total Non-Current Assets</b>		<b>50,184,858</b>	<b>56,578,267</b>
<b>Total Assets (A)</b>		<b>59,861,107</b>	<b>64,357,418</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	1,152,722	773,834
<b>Total Current Liabilities</b>		<b>1,152,722</b>	<b>773,834</b>
<b>Non-Current Liabilities</b>			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>1,152,722</b>	<b>773,834</b>
<b>Net Assets (A-B)</b>		<b>58,708,385</b>	<b>63,583,584</b>
<b>Represented By:</b>			
Revaluation Reserves		-	-
Accumulated Surplus		(7,155,775)	-2,280,577
Capital Fund		65,864,161	65,864,161
<b>Net Assets</b>		<b>58,708,386</b>	<b>63,583,584</b>

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

  
 .....  
**Chairman of Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**  
 02/12/2025  
 Date

Date 2/12/2025 Date 02/12/2025

**TANA RIVER TECHNICAL AND VOCATIONAL  
Annual Report and Financial Statements for the year ended 30th June 2025**  
**17. Statement of Changes in Net Asset for The Year Ended 30 June 2025**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023 (previous year)</b>	-	(2,302,328)	65,864,161	63,561,833
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	-	(2,302,328)	65,864,161	63,561,833
<b>At July 1, 2024 (current year)</b>	-	(2,302,328)	65,864,161	63,561,833
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(4,853,447)	-	(4,853,447)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	-	(7,155,755)	65,864,161	58,708,386

**Note:**

- For items that are not common in the financial statements, Tana River Technical and Vocational College (TRTV) should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
- Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	5,783,754	6,633,794
Rendering of services- fees from students	7	5,314,365	6,993,505
<b>Total Receipts</b>		<b>11,098,119</b>	<b>13,627,299</b>
<b>Payments</b>			
Use of goods and services	8	4,831,849	4,215,526
Employee costs	9	6,938,124	5,318,490
Board /Council Expenses	10	30,000	329,000
Repairs and maintenance	12	319,780	692,250
<b>Total Payments</b>		<b>12,119,753</b>	<b>10,555,266</b>
<b>Net Cash Flows from operating activities</b>		<b>(1,021,634)</b>	<b>3,072,033</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(694,505)	(3,496,837)
<b>Net cash flows used in investing activities</b>		<b>(694,505)</b>	<b>(3,496,837)</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing			
Repayment Of Borrowings			
<b>Net cash flows used in financing activities</b>			
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(1,716,139)</b>	<b>(424,804)</b>
Cash and Cash equivalents at 1 JULY 2024	26	2,963,915	476,380
<b>Cash and Cash equivalents at 30 JUNE 2025</b>	13	<b>1,247,776</b>	<b>2,963,915</b>

*(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)*

19. 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>Budget carryovers from the previous year*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Receipts</b>		<b>0</b>			<b>0</b>	<b>0</b>
Transfers from other National Government entities	4,000,000	0	4,000,000	5,783,754	(1,783,754)	45
Grants from donors and development partners		0	0	0	0	0
Transfers from other levels of government		0	0	0	0	0
Public contributions and donations		0	0	0	0	0
Rendering of services- fees from students	7,000,000	0	7,000,000	5,314,365	1,685,635	76
<b>Total Receipts</b>	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	<b>11,098,119</b>	<b>(597,946)</b>	<b>5</b>
<b>Payments</b>			<b>0</b>		<b>0</b>	<b>0</b>
Use of goods and services	4,200,000	0	4,200,000	4,746,048	(546,048)	13
Employee costs	5,400,000	0	5,400,000	6,938,124	(1,538,124)	28
Board /Council Expenses	500,000	0	500,000	30,000	470,000	6
Repairs and maintenance	700,000	0	700,000	443,474	256,526	63
Contracted services	0	0	0	0	0	0
Grants and subsidies	0	0	0	0	0	0
<b>Total Expenditure Payments</b>	<b>10,800,000</b>	<b>0</b>	<b>10,800,000</b>	<b>12,157,646</b>	<b>(1,036,452)</b>	<b>10</b>
<b>Capital Expenditure Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>646,310</b>	<b>(646,310)</b>	
<b>Surplus</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>A</b>	<b>-</b>	<b>-</b>

*(Budget carryovers\* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

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**Budget notes**

1. *Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
2. *Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

**Budget Reconciliation**

	Description of Particulars	Amount in K shs
	Actual Surplus Amounts as per the statement of Budget	(238,506.40)
1	<b>Transfers from other National Government entities exceeded budget</b> – actual receipts were 6,283,581.20 against a budget of 4,000,000, a 57% overrun due to additional allocations from the National Treasury.	(2,283,581.20)
2	<b>Student fees lower than budgeted</b> – actual receipts were 5,314,364.85 against a budget of 7,000,000, a 24% shortfall caused by lower enrolment than planned	1,685,635.15
3	<b>Employee costs exceeded budget</b> – actual 6,938,124 vs budget 5,400,000 (28% over), due to unbudgeted salary adjustments and staff promotions.	(-1,538,124)
4	<b>Other operating expenses differences</b> – use of goods & services and repairs & maintenance were slightly above/below budget due to timing of procurement and maintenance activities.	77,720
5	<b>Board / Council Expenses lower than budgeted</b> – the organization lacked a functioning board, so actual spending was only 30,000 vs a budget of 500,000 (94% under), resulting in significant savings.	(470,000)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,247,776.30

**20. Notes to the Financial Statements**

**1. General Information**

Tana River Technical and Vocational College (TRTVC) is established by and derives its authority and accountability from the Technical and Vocational Education and Training (TVET) Act, 2013. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide technical and vocational education and training aimed at equipping learners with practical skills, competencies, and knowledge aligned to industry needs and national development goals.

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

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain items of property, plant, and equipment, marketable securities and financial instruments measured at fair value, impaired assets measured at their estimated recoverable amounts, and actuarially determined liabilities measured at present value. The preparation of these financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires the use of estimates and assumptions. It also calls for management to exercise judgment in the application of the entity's accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements are presented in Kenya Shillings (KES), which is the entity's functional and reporting currency, and all values are rounded to the nearest shilling.

The financial statements have been prepared in accordance with the provisions of the Public Finance Management (PFM) Act, 2012, the State Corporations Act (Cap. 446), the Technical and Vocational Education and Training (TVET) Act, 2013, and other relevant enabling legislation, as well as International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been applied consistently to all the periods presented.

**3. Adoption of New and Revised Standards**

New and revised International Public Sector Accounting Standards (IPSAS) become effective internationally on 1st January of the applicable year and are subsequently adopted in Kenya from 1st July of the same year. Tana River Technical and Vocational College (TRTVC) has reviewed and applied all relevant new and revised IPSAS standards effective during the reporting period. Any changes in accounting policies resulting from the adoption of these standards have been disclosed accordingly in the notes to the financial statements.)

*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.
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.
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.
IPSAS 46:	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>

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Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</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.</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.</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.</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> <ol 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.</li> </ol>

*iii. Early adoption of standards*

Tana River Technical and Vocational College (TRTVC) did not early adopt any new or amended International Public Sector Accounting Standards (IPSAS) during the financial year ended June 30, 2025. All new standards applicable during the period were adopted in accordance with their effective dates.

#### **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 Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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 the financial year 2024/2025 was approved by the Council/Board on 18<sup>th</sup>/February/2024. Subsequent revisions and additional appropriations were made to the approved budget following the requisite approvals from the appropriate authorities. These additional appropriations were incorporated into the original budget upon receiving such approvals, resulting in a final approved budget amounting to 11,000,000.

The entity's budget is prepared on a cash basis, whereas the financial statements are prepared on an accrual basis and classify expenses by nature within the statement of financial performance. To facilitate a meaningful comparison between budgeted and actual figures, the financial statement amounts have been adjusted from an accrual to a cash basis and reclassified to align with the approved budget format.

A statement comparing budgeted amounts to actual amounts, prepared on a comparable basis to the approved budget, is presented in the statement of comparison of budget and actual amounts. Additionally, due to differences in presentation formats and classification schemes between the financial statements and the approved budget, further adjustments have been made to ensure comparability.

A reconciliation statement between the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual amounts reported in the statement of cash flows has also been provided.

**c) Taxes**

***Current income tax***

Tana River Technical and Vocational College (TRTVC) is exempt from income tax pursuant to Schedule Part III of the Income Tax Act, which exempts income earned by educational institutions wholly owned and controlled by the Government of Kenya.

***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 initially measured at cost, which includes transaction costs directly attributable to the acquisition. The carrying amount also includes the replacement cost of components of an existing investment property at the time that cost is incurred, provided the recognition criteria are met. Day-to-day maintenance costs are excluded from the carrying amount. 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**. Investment properties are carried at cost less accumulated depreciation and any accumulated

impairment losses. Depreciation is charged on a straight-line basis over an estimated useful life of 10 years.

Investment properties are derecognized either upon disposal or when they are permanently withdrawn from use and no future economic benefits or service potential are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in surplus or deficit in the period of derecognition.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or cessation of owner-occupation or development with a view to sale.

**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, Tana River Technical and Vocational College (TRTVC) 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. Tana River Technical and Vocational College (TRTVC) 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 Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Tana River Technical and Vocational College (TRTVC) 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 derecognition of financial assets and financial liabilities. It also introduces new requirements for hedge accounting and a revised impairment model for financial assets. Tana River Technical and Vocational College (TRTVC)

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does not currently have any hedge relationships; therefore, the new hedge accounting requirements have no impact on the entity's financial statements.

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, Tana River Technical and Vocational College (TRTVC) measures a financial asset or financial liability at its fair value. For financial assets or financial liabilities not measured at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are included in the initial measurement.

***Financial assets***

***Classification***

Tana River Technical and Vocational College (TRTVC) 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, Tana River Technical and Vocational College (TRTVC) 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**

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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 Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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. Tana River Technical and Vocational College (TRTVC) 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***

Tana River Technical and Vocational College (TRTVC) 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.

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- 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 Tana River Technical and Vocational College (TRTVC) 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 Tana River Technical and Vocational College (TRTVC) 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***

Tana River Technical and Vocational College (TRTVC) 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***

Tana River Technical and Vocational College (TRTVC) 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 Tana River Technical and Vocational College (TRTVC) 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. Tana River Technical and Vocational College (TRTVC) 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 Tana River Technical and Vocational College (TRTVC) will incur in fulfilling the present obligations represented by the liability.

**n) Nature and purpose of reserves**

Tana River Technical and Vocational College (TRTVC) creates and maintains reserves in terms of specific requirements.

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

Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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, Tana River Technical and Vocational College (TRTVC) 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, Tana River Technical and Vocational College (TRTVC) 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. Tana River Technical and Vocational College (TRTVC) 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 by TRTVC, with management determining estimates based on the information available at the reporting date. Additional disclosure of these provisions and the assumptions underlying their estimation is included in Note [xxx].

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where the time value of money is material, provisions are discounted to their present value.

The College maintains the following provisions:

- **Provision for Bad Debts:** Estimated based on the aging analysis of receivables and historical recovery rates. Management reviews debtor balances regularly and makes an allowance for debts deemed doubtful.
- **Provision for Obsolete Stocks:** Estimated by assessing the usability and marketability of inventories, considering factors such as technological changes and stock turnover rates.

These provisions are reviewed periodically and adjusted as necessary to reflect current best estimates.

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	3,784,444	1,979,828
Operational Grant	-	-
Development grants	-	-
Other Grants	1,999,310	4,653,966
<b>Total unconditional Grants</b>	<b>5,783,754</b>	<b>6,633,794</b>
<b>Conditional Grants amortised/ recognised in revenue</b>	-	-
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>5,783,754</b>	<b>6,633,794</b>

(a) Transfers from other Government entities (Categorized)

Name of Entity Sending the Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	5,783,754	-	-	5,783,754	5,783,754
<b>Total</b>	<b>5,783,754</b>	<b>-</b>	<b>-</b>	<b>5,783,754</b>	<b>5,783,754</b>

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

\*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix xxx

7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	13,594,418	6,993,505
Activity Fees	-	-
Industrial Attachment Fees	-	-
Examination Fees	-	-
Library Fees	-	-
Facilities And Materials	-	-
Registration Fees	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Revenue from The Rendering of Services</b>	<b>13,594,418</b>	<b>6,993,505</b>

(Provide brief explanation for this revenue)

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**8. Use of Goods and Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	935,503.95	382,250
Industrial attachment costs	80,000.00	150,000
Electricity	239,300.00	222,596
Water	444,100.00	118,000
Subscriptions	607,610.00	200,000
Advertising	6,500.00	131,000
Examination fees	213,000.00	988,650
Catering, conferences, and delegations	1,099,491.00	374,690
Travelling and accommodation	-	
Fuel and oil	179,060.00	58,350
Licenses and permits	6,000.00	xxx
Postage	8,400.00	xxx
Printing and stationery	74,800.00	327,674
Hire charges	96,800.00	2,500
Telephone expenses	41,000.00	25,000
Internet expenses	109,702.00	347,700
Training expenses	-	243,163
Medical expenses	43,100.00	22,000
Cleaning expenses	30,730.00	26,100
Bank charges	9,820.50	5,509
Activity expenses	606,932.00	672,750
Other ( <i>specify</i> )	-	23,000
<b>Total good and services</b>	<b>4,831,849.45</b>	<b>4,320,932</b>

9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	3,779,000	2,638,650
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	2,972,500	2,679,840
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	186,624	-
<b>Employee Costs</b>	<b>6,938,124</b>	<b>5,318,490</b>

10. Board/Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	30,000	-
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Council Expenses	-	329,800
<b>Total</b>	<b>30,000</b>	<b>329,800</b>

11. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	3,542,880	3,459,717
Intangible assets	37,120	37,120
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>3,580,002</b>	<b>3,496,837</b>

12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	319,780	692,250
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
<b>Total Repairs and Maintenance</b>	<b>319,780</b>	<b>692,250</b>

13. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,206,087.30	2,963,181
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Cash on Hand)	41,689	734
<b>Total Cash and Cash Equivalents</b>	<b>1,247,776.30</b>	<b>2,963,915</b>

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1284649210	1,206,087.30	2,963,181
Equity Bank, etc.			
<b>Sub- Total</b>		<b>1,206,087.30</b>	<b>2,963,181</b>
<b>b) Others(Specify)</b>			
Cash in Hand		41,689	734
Mobile Money account			
<b>Sub- Total</b>		<b>41,689</b>	<b>734</b>
<b>Grand Total</b>		<b>1,247,776.30</b>	<b>2,963,915</b>

**14. Receivables from Exchange transactions**

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	8,280,053.15	4,815,970
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>8,280,053.15</b>	<b>4,815,970</b>

**14 (b) Long- term Receivables from Exchange transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Current Portion Transferred To Current Receivables	-	-
<b>Total Non-Current Receivables</b>	<b>-</b>	<b>-</b>
<b>Total Receivables</b>	<b>-</b>	<b>-</b>

**14 (c) Ageing Analysis of Receivables from Exchange transactions**

Description	2024-2025		2023-2024	
	Kshs	% of total	Comparative FY	% of total
	<b>2024-2025</b>	<b>% of total</b>	<b>Comparative FY</b>	<b>% of total</b>
Less than 1 year	8,280,053.15	100%	4,815,970	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>8,280,053.15</b>	<b>100%</b>	<b>4,815,970</b>	<b>100%</b>

**15. Receivables from Non-Exchange transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	-	-

(\*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

**16. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	104,120	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	44,300	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>148,420</b>	-

(Provide brief explanation on inventories)

**17. Prepayments**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

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18. Property, Plant and Equipment

Cost	Land	Buildings	Motor Bike	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		5%	10%	15%	30%	2.50%	-%		
At 1 July 2023 (previous year)	-	65,568,532	100,000	358,300	53,600	152,660	-	-	66,233,092
Additions	-	-	-	40,000	-	127,150	-	-	167,150
Disposals	-	-	-	-	-	-	-	-	0
Transfers/Adjustments	-	-	-	-	-	-	-	-	0
Revaluation	-	-	-	-	-	-	-	-	0
At 30 <sup>th</sup> June 2024 (previous FY)	-	65,568,532	100,000	398,300	53,600	279,810	-	-	66,400,242
Additions	-	158,505	0	476,000	0	60,000	-	-	694,505
Disposals	-	-	-	-	-	-	-	-	0
Transfer/Adjustments	-	-	-	-	-	-	-	-	0
Revaluation	-	-	-	-	-	-	-	-	0
At 30 <sup>th</sup> June 2025 (current year)	-	65,727,037	100,000	874,300	53,600	339,810	-	-	67,094,747
Depreciation And Impairment									0
At 1 July 2024 (previous year)	-	9,835,281	30,000	113,490	272,100	14,484	-	-	10,265,355
Depreciation	-	3,281,576	10,000	138,270	104,550	8,495	-	-	3,542,891
Disposals	-	-	-	-	-	-	-	-	0
Impairment	-	-	-	-	-	-	-	-	0
At 30 Jun 2025 (current year)	-	13,116,857	40,000	251,760	376,650	22,979	-	-	13,808,246
Depreciation	-	-	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	-	-	0
Impairment	-	-	-	-	-	-	-	-	0
Transfer/Adjustment	-	-	-	-	-	-	-	-	0
At 30 <sup>th</sup> Jun 2025 (current year)	-	16,332,465	50,000	246,005	186,300	29,974	-	-	16,844,744
Net Book Values									0
At 30 <sup>th</sup> Jun 2024 (previous year)	-	55,733,251	60,000	284,010	76,400	265,326	xxx	xxx	56,418,987
At 30 <sup>th</sup> Jun 2025 (current year)	-	49,236,067	50,000	610,295	-132,700	309,836	-	-	50,073,498

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

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

**18 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	65,631,342	16,332,465	52,517,634
Plant And Machinery	339,810	29,974	316,831
Motor Vehicles including Motorcycles	100,000	50,000	60,000
Computers and Related Equipment	348,500	186,300	53,600
Office Equipment, Furniture, And Fittings	921,800	264,005	670,040
<b>Total</b>	<b>66,695,142</b>	<b>16,862,744</b>	<b>50,073,498</b>

**19. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	<b>185,600</b>	<b>185,600</b>
Additions	-	-
<b>At end of the year</b>	<b>185,600</b>	<b>185,600</b>
Additions-internal development	-	-
<b>At end of the year</b>	<b>185,600</b>	<b>185,600</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	<b>37,120</b>	<b>-</b>
Amortization	37,120	37,120
<b>At end of the year</b>	<b>74,240</b>	<b>37,120</b>
Impairment loss	-	-
<b>At end of the year</b>	<b>111,360</b>	<b>148,480</b>
<b>NBV</b>	<b>111,360</b>	<b>148,480</b>

20. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	-		-	
Fees paid in advance	1,152,721.91		795,105	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>1,152,721.91</b>		<b>795,105</b>	
	2024-2025	% of the Total	2023-2024	% of the Total
<b>Ageing analysis:</b>				
Under one year	1,152,721.91	100%	795,105	100
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
<b>Total (to tie to totals above)</b>	<b>1,152,721.91</b>	<b>%</b>	<b>795,105</b>	<b>100%</b>

21. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
<b>Total Deposits</b>	<b>-</b>		<b>-</b>	
	2024-2025	% of the Total	2023-2024	% of the Total
<b>Ageing analysis:</b>				
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total (to tie to totals deposits above)</b>	<b>xxx</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

(Provide brief explanation)

**22. Social Benefit Liabilities**

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

### **23. Financial Risk Management**

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

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

#### **(i) Credit risk**

Tana River Technical and Vocational College (TRTVC) 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.

#### **Financial risk management (continued)**

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

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. Tana River Technical and Vocational College (TRTVC) 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.

#### **(iii) Market risk**

Tana River Technical and Vocational College (TRTVC) has put in place an internal audit function to assist it in assessing the risk faced by Tana River Technical and Vocational College (TRTVC) 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**

Tana River Technical and Vocational College (TRTVC) 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 mon

Tana River Technical and Vocational College (TRTVC) manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**Foreign currency sensitivity analysis**

The following table demonstrates 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. 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***

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

**iv) Capital Risk Management**

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The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. Tana River Technical and Vocational College (TRTVC) capital structure comprises of the following funds:

**24. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to Tana River Technical and Vocational College (TRTVC) 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;

**25. Events After The Reporting Period**

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

**26. Ultimate And Holding Entity**

**Tana River Technical and Vocational College (TRTVC)** is a State Corporation / Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent entity is the Government of Kenya.

**27. Currency**

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

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**21. 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.

<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>
1	Inconsistencies and omissions in financial statements: undefined acronyms, missing disclosures, inaccurate comparative balances, missing capital structure and related party notes, incomplete	Management amended the statements, defined acronyms, included missing disclosures, reconciled comparative balances, and conducted staff capacity-building on IPSAS reporting	Resolved	—
2	Late submission of financial statements; submitted 16 Jan 2025 instead of within three months	Delay was due to the absence of a fully constituted Board; once the Board was in place, timely review and submission were ensured	Resolved	—
3	Misstatement in use of goods and services: variance of Kshs. 22,990	Figures were reconciled; financial statements were adjusted; review and reconciliation procedures were enhanced	Resolved	—
4	Incomplete asset register: missing acquisition dates, terms of ownership, changes in use, capital expenditure	Register updated; liaising with mentor institution; all new assets fully documented	Resolved	
5	Lack of land ownership documents & valuation basis	Engaging Ministry of Lands and valuer; revaluation planned	In Progress	
6	Inaccuracies in the Statement of Financial Performance,	Financial statements under review and adjustments being made to align with	In Progress	

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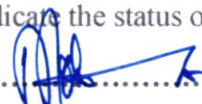
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Statement of Financial Position, Statement of Cash Flows, and Cash and Cash Equivalents balance	IPSAS; staff trained on financial reporting and analysis		
7	Late submission of financial statements for audit	Timelines for preparation and submission incorporated into financial calendar; monitoring to ensure compliance	Resolved	—
8	Incomplete asset register	Comprehensive asset verification and tagging ongoing; expected to be finalized before next audit cycle	In Progress	
9	Lack of an approved procurement plan	Procurement plan prepared and submitted for Board approval	In Progress	
10	Lack of an approved budget	Budget finalized and awaiting Board ratification	In Progress	
11	Non-compliance with the Public Sector Accounting Standards Board (PSASB) reporting requirements	Aligning reporting templates and disclosures with PSASB checklist	In Progress	
12	Lack of Internal Audit function and Audit Committee	Proposal submitted for establishment of internal audit unit; awaiting Board approval	In Progress	
13	Lack of ownership documents	Engaging Ministry of Lands and other relevant authorities to obtain title documents	In Progress	

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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)
14	Lack of a properly constituted Board	New Board appointed; operations normalized	Resolved	—

**Guidance Notes:**

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

..... 

Name Principal 

Date 02/12/2025.

Appendix II: Projects Implemented by Tana River Technical and Vocational College

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						
2						

Status of Projects completion

*(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)*

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by Tana River Technical And Vocational College as at 30 <sup>th</sup> June (2024-2025)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP 9/46(67)	05/JUNE/2025	500,000	-	500,000	RECEIVED
MOE/DTE/CAP 9/47(61)	19/JUNE/2025	500,000	-	500,000	RECEIVED
MOE/DTE/CAP 9/45(83)	22/JAN/2025	500,000	-	500,000	RECEIVED
MOE/DTE/CAP 9/44(90)	30/SEPT/2024	500,000	-	500,000	RECEIVED
<b>Total</b>		<b>2,000,000</b>	<b>-</b>	<b>2,000,000</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 ..... Sign ..... Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

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

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

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