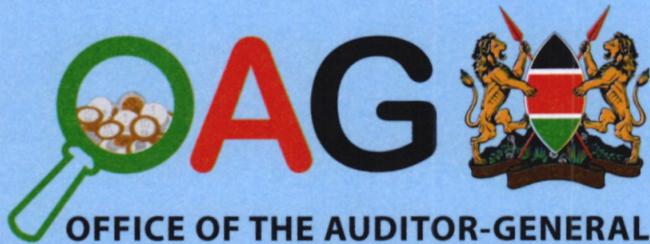


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**TANA RIVER TECHNICAL AND VOCATIONAL
COLLEGE**

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

TANA RIVER COUNTY

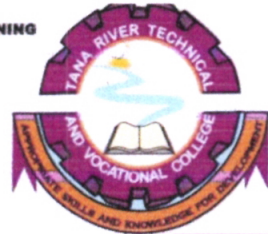
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 JUN 2025	DAY: THUR
TABLED BY:	HON. GEDGE MURUGARA, MP ON BEHALF OF LEADER OF MAJORITY PARTY
CLERK:	VIVIAN WAMBUI



MINISTRY OF EDUCATION, STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

TANA RIVER TECHNICAL & VOCATIONAL COLLEGE

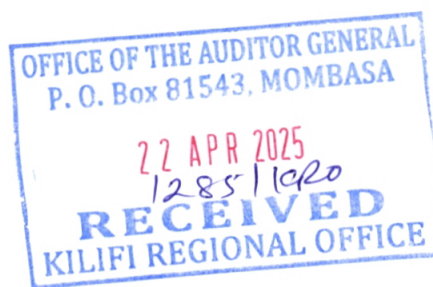
Appropriate Skills and Knowledge for Development



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023



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



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1. Acronyms & Glossary of Terms

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
Fiduciary Management	Key management personnel who have financial responsibility in the entity
TVET	Technical Vocational Education and Training
TRTVC	Tana River Technical Vocational College
ICT	Information Communication and Technology

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Tana River Technical and Vocational College is one of the TVET infrastructural program that was constructed in the Country (phase 60/70) classified as TTI's for COUNTIES WITH NONE. The college is located in Hola Town, Galole Constituency, Tana River County. It is situated 10 km from the Hola town. The college sits on a large parcel of land (12.14 Ha). The college is quite far from town with no human settlements around. The college is managed by a Board of Governor appointed by the Ministry of Education and run on a day-to-day basis by a principal who is appointed under the State Department for Vocational and Technical Training

(b) Principal Activities

The principal activity/mission of the college is to train highly skilled workforce that is suitable for further professional development through quality inclusive and equitable TVET programs responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

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

1. Enhance Access to TVET training by providing opportunities for all eligible trainees.
2. Promote Equity in education and training by providing opportunities for life-long learning.
3. Provide quality and relevance in training by developing and encouraging a culture of research, creativity and innovation among trainees and staff.
4. Establish good governance for operational efficiency and effectiveness.
5. Enhance attractiveness through strategic collaboration and linkages with research institutions, industry and professional bodies both nationally and internationally.
6. Be technologically relevant by integration of ICT in training and management.
7. Strengthen financial base of TRTVC

(c) Key Management

The College's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

	Designation	Name
1	Principal/Secretary to BOG	Mohamed Adan Sora
2	Deputy Principal	Wandeto Francis Ndirangu
4	Ag. Registrar	Mairi Simon Kaluku
5	Ag. Dean of Students	Ngumbao Fundi

(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

(g) Entity Bankers

1. Kenya Commercial Bank
HOLA Branch
HOLA, Kenya




(h) Independent Auditors

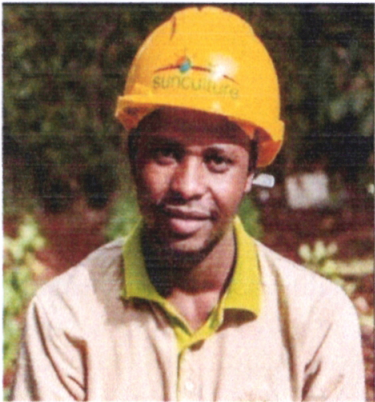



Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser



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

2. THE BOARD OF GOVERNORS MEMBERS

<p>Board Chairman</p>  <p>R. Hussein Bodole</p>	<p>Mr. Hussein Bodole, aged 35, currently serves as the Board Chairman. He has a strong background in administrative and legal support services, having previously worked as a Clerical Officer and later as an Executive Officer at the Hola Law Court. His experience in public service and leadership within the legal sector contributes significantly to the governance and strategic oversight of the board. He is currently County Chief Office in Tana River County.</p>
<p>Board Member</p>  <p>R. ABDIKADIR SIRAD ADHOWE</p>	<p>Mr. Abdikadir Sirad Madhowe, 35, is a Board Member with a strong background in public service and project planning. He holds a Master's in Project Planning from the University of Nairobi and a Bachelor's in Business Administration from Casa College, Nicosia. He has served as a Regional Team Leader for the Lamu-Lokichar Crude Oil Pipeline Impact Assessment and held key positions as County Chief Officer for both Trade, Tourism and Industry, and Culture, Gender and Social Services in Tana River County.</p>
<p>Board Member</p>  <p>S. CPA HENRY D. MIEN</p>	<p>Mr. Henry D. Mien is a seasoned finance and audit professional with a solid background in accounting, internal auditing, and fraud risk management. He holds a Master of Business Administration from Strathmore Business School (2016) and a Bachelor of Commerce in Accounting from Daystar University (2007). He qualified as a Certified Public Accountant (K) in 1999 through KASNEB. He is a registered Member of the Institute of Certified Public Accountants of Kenya (ICPAK) – Member No. 3778, a Member of the Institute of Internal Auditors (IIA) – Member No. 1425725 (Florida, USA), and an Associate Member of the Association of Certified Fraud Examiners (ACFE), based in Texas, USA.</p>

<p>Board Member</p>  <p>MR. WILLIAM SOYE JILLO</p>	<p>Mr. William Soye Jillo, aged 34, is a qualified engineer with expertise in environmental and water resource management. He holds a Bachelor of Science in Soil, Water, and Environmental Engineering from Jomo Kenyatta University of Agriculture and Technology (JKUAT). He currently serves as the County Irrigation Engineer for Tana River County and is a Registered Graduate Engineer with the Engineers Board of Kenya (EBK) – Registration No. B18737. Mr. Jillo is also an Associate Expert accredited by NEMA (No. 11753). His professional affiliations include membership in the Institution of Engineers of Kenya (IEK) and the Environmental Institute of Kenya (EIK), reflecting his commitment to sustainable engineering and environmental stewardship.</p>
<p>- Board Member</p>  <p>MR. FELIX KADZITU MUMBA</p>	<p>Mr. Felix Kadzitu Mumba, aged 49, is an accomplished civil engineer with a strong focus on water resources management. He holds a Master of Science in Civil Engineering (Water Option) and a Bachelor of Science in Civil Engineering. He currently serves as the County Director of Water in Tana River County, having previously held the position of Deputy County Director of Water. With extensive experience in public water infrastructure and resource management, Mr. Mumba brings valuable technical and strategic insight to the board.</p>
<p>Board Member</p>  <p>MR, ABDI YUSSUF OMAR</p>	<p>Mr. Abdi Yusuf Omar, aged 48, is a seasoned professional with a background in information science and human resource management. He holds a Bachelor of Science in Information Science from Mount Kenya University (MKU) and a Higher National Diploma in Human Resource. Mr. Omar currently serves as a Records Officer at Garissa University and has also held the role of Human Resource Officer at the institution. His expertise in information management and human resources brings valuable insights to the board.</p>
 <p>MR MOHAMED ADAN SORA (Principal)</p>	<p>Mr. Mohamed Adan Sora, aged 40, is the current Principal of Tana River Technical and Vocational College and serves as the Secretary to the Board of Governors. He is actively pursuing a Master's Degree in Business Administration (MIS) at Kenyatta University and holds a Bachelor's Degree in Business Information Technology from Mount Kenya University.</p> <p>With strong academic and leadership credentials, Mr. Sora plays a pivotal role in the administration and strategic direction of the college.</p>

3. MANAGEMENT TEAM

Mohan Adan Sura		The Principal/Secretary to the Board of Governors
Wande Francis Ndiran		Deputy Principal
Mairi Simon Kaluku		Ag. Registrar
Ngumb Fundi		Ag. Dean Of Students

4. CHAIRMAN'S STATEMENT

The office of the Chairperson of the Board of Governors of Tana River Technical and Vocational College has been active during the year under review in managing the affairs of the college. We reckon the existing challenges including the issues of Equipment and learning facilities, Security, Fewer staffs, fewer teaching resources but above all the culture that associates technical training with mundane life. This requires change in the mindset of our people as we leveraged on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The Board is committed to ensuring that the changing world around is sensitive to the needs of the future.

We intend to collaborate with a number of agencies both public and private sector in our endeavour to grow the institution. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

During the year under review, the college management has carried out an aggressive popularity campaign in Tana River County and its environs. Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the institution from within and around the County. On matters of security, the management has put certain measures in place to beef security. However, the college require fencing to boost the level of security in the institution to both staff and students.

As a Board, we endeavour to continually putting in place governance systems to ensure that we not only comply with the code of ethics but engage in prudent leadership practices that creates value for the College. The college has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligation

The college registered remarkable development during the period under review in the realization of its mandate with support of the Ministry of Education, state department of Vocational and Technical Training. As a result, the college has now been able to admit the students and in the process of fully operationalizing the college. The college continues to register an overall improvement in its performance.

Special thanks go to the State Department of Vocational and Technical Training, Ministry of Education, without which our achievements would not have been realized. Finally, I wish to appreciate my Board Members and the Management Staffs for their efforts in supporting the realization of the college mandate.



Hussein Bodole

Chairman/Board of Governors

5. Report of the Principal


Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the college's annual report and financial statements for the period ended 30 June 2023. The report focuses on the college's Strategic intent included in the strategic plan which the college is in the process of developing. It includes Curriculum implementation and development, Facilities & infrastructure development, Human resource development, Enrollment and tracer studies, Resource mobilization, Linkage partnerships and networking, Governance, Student welfare, Research, innovation and development, ICT integration and Education for sustainable development. The above strategic issues are part of broad initiatives undertaken by the College planning system to impart relevance to current National TVET reforms. This defines the college's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET education. This report is premised on involvement on account of analysis of goals, strategic issues, strategic objectives, strategies and activities that the college intends to pursue in the next three years. The mandate of the Board of Governors among other things is to provide apex management towards achieving the college mandate as per the TVET Act 2013.

The College is committed to ensuring that the Fencing of the compound and landscaping within the compound is done, since image is everything.

Challenges
The college emphasizes on the need for adequate staffing for the effective education in all departments. All the departments do not have sufficient staff to handle the trainees. Shortage of trainers is therefore one of the challenges facing the college. In order to alleviate the shortage, the college has been hiring BOG trainers to train the trainees. The staff are paid by the college from its meagre resources. During the 2022/2023 financial year, the college maintained 10 trainers under the Board but the number is likely to increase due to our increased programs.

Because of security concerns the fencing of the college is paramount. The distance of the college from the human settlement has necessitate accommodating the trainees in the college workshops.

Continued dynamism in the ICT sector requires the Internet Connectivity. The college also requires more bandwidth in internet connectivity. Currently the college is serviced with an internet connectivity of 10 Mbps.


Mohamed Adan Sora
Principal Secretary Board of Governors

6. 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 2022/23 period for its eight strategic pillars as indicated in the diagram below.

STRATEGIC ISSUE 1: CURRICULUM IMPLEMENTATION & DEVELOPMENT	STRATEGIC OBJECTIVES	STRATEGIES	ACTIVITIES	TARGET OUTPUT	PERFORMANCE INDICATORS
	OBJECTIVE I : To implement and design market oriented and demand-driven programmes	Adopt, and implement existing courses	1. Acquire approved course syllabi 2. Obtain accreditation and licensing from relevant legal and regulatory bodies 3. Implement course content 4. Promote flexible and blended learning 5. Introduce virtual learning	1. At least one designed market driven course implemented in each academic department. 2. Demand driven courses by government regulatory bodies offered	1. Number of courses offered 2. No. of accredited and licensed courses

		Quality assurance in delivery of curricula.	<ol style="list-style-type: none"> 1. Implement documented procedures in compliance with ISO QMS requirements 2. Analyse internal and external exams 3. Root cause analysis and preventive action 4. Integrate other standards into the QMS 	<ol style="list-style-type: none"> 1. Compliance to ISO QMS procedures 2. Examination and Root cause analysis 3. Enhanced QMS systems 	<ol style="list-style-type: none"> 1. Evidence of compliance to QMS procedures 2. Examinations and root cause analysis reports 3. New standards integrated into QMS
		To implement and design competence based courses (CBET) and incorporate work place essential skills (WPES) in training and develop demand driven courses	<ol style="list-style-type: none"> 1. Develop market need assessment tool 2. Modify existing course content to meet industry needs 3. Design and develop CBET courses 4. Offer tailor made courses 	<ol style="list-style-type: none"> 1. Market needs assessed 2. Existing courses modified to suit market needs 3. CBET courses developed and implemented 4. Increased international leverage 	<ol style="list-style-type: none"> 1. Records of market needs 2. Evidence of course modification 3. Number of CBET courses
STRATEGIC ISSUE 2: FACILITIES INFRASTRUCTURE, EQUIPMENT MACHINE TOOLS	To upgrade the Institute's facilities and infrastructure.	Renovation of existing facilities and infrastructure.	<ol style="list-style-type: none"> 1. Conduct renovation of existing facilities 2. Improve the existing pathways 	Upgrading of existing facilities and infrastructure	Number of renovations and expanded facilities

Tana River Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2023

<p>STRATEGIC ISSUE 3: HUMAN RESOURCE</p>	<p>OBJECTIVE 1 Staff establishment</p>	<p>1. Recruit, 2. Maintain and retain qualified non-teaching staff - Recruit - Reward - Retain Identify areas of staff shortage - Contact government for relevant teachers</p>	<p>1. Conducting recruitment of staff 2. Skills gap analysis 3. Reviewing terms and conditions of service. 4. Appraising and promoting staff 4. Rewarding performing staff (Strategy) 5. Staff requirements established</p>	<p>Qualified staff employed and retained No. of PSC staff establishment</p>	<p>Number of qualified staff recruited Review ed terms and conditions of service Number of staff appraised and promoted Number of awards for staff</p>
<p>STRATEGIC ISSUE 4: ENROLLMENT</p>	<p>1. To determine the optimum carrying capacity of every course</p>	<p>Monitor the optimum capacity per course Carry out continuous marketing to maintain visibility</p>	<p>optimum enrolment and quality training</p>	<p>carrying capacity report Evidence of marketing Enrolment statistics</p>	
<p>STRATEGIC ISSUE 5: RESOURCE MOBILIZATION</p>	<p>To identify, secure and manage financial resources efficiently and effectively.</p>	<p>1. To broaden financial resource base</p>	<p>1. Lobby National and county governments for additional funds 2. Expansion of income generating activities. 3. Lobby for funding from local and International donors, partners and Industry</p>	<p>Additional funding (more funds) Implementation of more income generating projects.</p>	<p>Audit reports Accounts statements Progress reports</p>
<p>STRATEGIC ISSUE 6: LINKAGES, PARTNERSHIPS AND NETWORKING</p>	<p>To strengthen and Enlarge linkages With strategic Partners Nationally and Internationally</p>	<p>Continually engage targeted partners in negotiations leading to new MOUs.</p>	<p>• Establish partnerships with any industrial organizations to explore ways of putting into use of any technologies or innovations that</p>	<p>Enhanced Collaboration and Linkages</p>	<p>Number of established linkages</p>

			have been developed.		
STRATEGIC ISSUE 7: GOVERNANCE	To maintain and continually improve principles of good governance	Establish clear governance structure	<p>1. Review organizational structure to make it responsive to the emerging trends</p> <p>2. Develop job descriptions and job specifications</p> <p>3. Conduct job evaluations</p> <p>Make appointments and promotion of staff on merit</p> <p>Fully adhere to the provisions of relevant Acts, regulations and guidelines</p> <p>Sensitize the staff on issues of administration</p>	<p>Organizational structure reviewed and updated.</p> <p>Job descriptions and evaluations established</p> <p>Provisions of relevant Acts and regulations mapped out and adhered to.</p> <p>Staff sensitized on administrative issues</p>	<p>Adaptive structure adopted and personnel deployed.</p> <p>Job descriptions</p> <p>Job evaluation reports</p> <p>Percentage of compliance to relevant Acts and regulations.</p> <p>Legal audit reports</p> <p>Number of sensitization and training sessions for staff</p>
STRATEGIC ISSUE 8: STUDENT WELFARE	To enhance the students training experience	Enhance student recreation activities Enhance general student welfare	<p>Upgrading of the playing fields</p> <p>Increase number of indoor sports facilities</p> <p>advocacy, sensitization and peer support</p> <p>Enhance Career and counselling office</p> <p>Enhance participation in President's award schemes and similar programs that would</p>	<p>Increased opportunities for student recreation</p> <p>Trainee retention and increased course completion rates</p> <p>Trainees informed on career choices</p> <p>Well-adjusted</p>	<p>Number of playing fields</p> <p>Number of indoor sports facilities</p> <p>Trainee retention and course completion statistics</p> <p>Trainees access to career information</p>

			encourage trainees to develop positive life skills and ethical values for a better society	trainees	Level of trainees' participation in various co-curricular activities
STRATEGIC ISSUE 9: RESEARCH, INNOVATION AND DEVELOPMENT	To enhance research over the planned period	1. Generate funds for research	1. Liaise with NACOSTI for research funds 2. Identify potential external funding agencies	Availability of research funds	Funding agreements Number of funding agencies identified
STRATEGIC ISSUE 10: ICT INTEGRATION	To integrate ICT in management and teaching-learning	Enhance ICT infrastructure Expand MIS to capture all administrative functions within plan	1. ICT audit. 4. Acquisition and installation of requisite hardware 5. Acquisition development and application of supportive software 4.. Enhance CCTV network 5.. Expand internet bandwidth to over 100mbps 6. Expand Wi-Fi coverage to the entire institute compound.	ICT infrastructure installed E-learning strategy adopted CCTV network installed. Expansion of internet bandwidth and Wi-Fi coverage Expanded MIS	Audit report Number of computers Range of application software Number & quality of CCTV camera points; % coverage of CCTV cameras and Wi-Fi Number of modules in MIS

STRATEGIC
 ISSUE 11:
 EDUCATION
 FOR
 SUSTAINABLE
 DEVELOPMENT

<p>Managing the Campus to strengthen Operational sustainability mechanisms</p>	<p>Greening the campus</p>	<p>1: Identify spaces or activities that contribute to deterioration/unsustainable use 2: Determine ways to transform spaces into „green spaces” or activities into „green practices” 3: Develop a sustainability plan for newly created green spaces and practices 4: Deploy materials and services that help maintain these green spaces and practices 5: Develop a monitoring and assessment scheme to measure improvements</p>	<p>1. Each department asked to incorporate and report on sustainable practices in their sites 2. Green spaces are created and maintained to combine the purpose of education, research, and leisure and aesthetics.</p>	<p>1. Reports on sustainability practices 2. No. of „green” spaces created and maintained</p>
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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 (4) 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 mark 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 BOARD OF GOVERNORS

7. Management Discussion and Analysis

The College's operational and financial performance

1. The college is in the process of operationalizing having started admitting the trainees September 2021.
2. The Board commits to ensure that a proper management structure is in place and to make sure that the structure functions to maintain corporate integrity, reputation and responsibility.
3. The Board has a commitment to monitor and evaluate the implementation of strategies, policies, and management criteria and plans of Tana River Technical and Vocational College.
4. The Board will look at financial sustainability of the College.
5. The Board commits to ensure that the Tana River Technical and Vocational College complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

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.
- The college is yet to be fenced, hence security concern both for the students and the staffs.
- Household related issues hinder capacity growth of our staff and this results to low staff moral and limited 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.
- Non payment of fees by students, the college is engaging partners to address the need.

Material issues 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 or pension obligations to the exchequer.

The College's financial probity and serious governance issues

The college's 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.

8. Environmental and Sustainability Reporting Statement

The College affirms that good corporate governance is simply good business. The College commits to ensure that we comply with all the legal requirements as well as meeting set deadlines. We commit to provide excellent training environment for our students who are our major clients.

1. Sustainability strategy and profile -

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 (4) departments and basically engineering courses collectively form our centre for excellence including Electrical and Electronics, Agriculture, Information Communication Technology, Business Studies, Community development and Secretarial Departments.

2. Environmental performance

The college is in the process of planting the neem trees which are drought resistant around the compound which provide shade for the students, staff and visitors. The trees help to filter out the dust and carbon dioxide from the environment hence improving the quality of air that we breathe inside and around the institution.

3. Employee welfare

The College is in the process of developing Human Resource Policy to addresses key areas in human resource such as hiring, appraisals, training, discipline and dismissal. Tana River Technical and Vocational College has qualified staff both in training and subordinate staff. To ensure that there is motivation and productivity amongst its staff, Tana River Technical and Vocational College ensures that its employees attend regular workshops and trainings organised by the Institution and other stakeholders like Kenya Association Technical Training Institutions (KATTI.)

4. Market place practices-

The College is guided by the TVETA Act, the PFM Act 2015 and the Public Procurement and Disposal Act 2015 among other key legislations governing public educational learning institutions. We strive to comply all statutory requirements such as ensuring our books are submitted on time, deducting and remitting of statutory deductions like PAYE, NSSF, and NHIF.

5. Community Engagements-

The college is yet to engage in corporate social responsibility.

9. Report of the Board of Governors

The Board members submit their report together for the year ended June 30, 2023 which show the state of the college's affairs.

Principal activities

The principal activities of the College will continue to be provision of technical and vocational training

Results

The results of the College for the year ended June 30 2023 are set out on page 1 to page 37


BOARD

The members of the Board who served during the year are shown on page VI-VIII. During the year the Chairman, Mr. Anania Kerhayu Deye resigned with effect from 1st February 2022 and yet to be replaced.

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

Auditor

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



Mohamed Adan Sora
Principal Secretary to BOG

10. Statement of Board's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of 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, 2022. 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, 2021, 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 College's financial statements were signed on 21/04/25 on behalf of the Board of Governors by:

Name Hussein Bodole

Name Mohamed Adan Sora


Signature.....


Signature.....

Chairperson of the Board

Principal

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023 – TANA RIVER COUNTY

REMBLE

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

1. 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.
2. 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.
3. 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 – Tana River County set out on pages 1 to 35, which comprise the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Financial Performance

The statement of financial performance reflects use of goods and services expenditure amount of Kshs.4,176,119 as disclosed in Note 8 to the financial statements which differ with the recomputed amount of Kshs.4,200,969 resulting in unexplained variance of Kshs.24,850. The statement also reflects a net deficit comparative amount of Kshs.2,762,410 which differed with the recomputed amount of Kshs.3,179,690 resulting in a variance of Kshs.417,280 attributed to the wrong disclosure of revenue from exchange transactions of Kshs.3,090,370 instead of the recomputed Kshs.805,590. Further, the statement reflects use of goods and services comparative amount of Kshs.1,581,822 as disclosed in Note 8 to the financial statements which differed with the recomputed amount of Kshs.1,797,729 resulting in unexplained variance of Kshs.215,907.

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

2. Inaccurate Total Current Assets Comparative Balance

The statement of financial position reflects total current assets comparative balance of Kshs.3,166,283 which differed with the recomputed balance of Kshs.2,749,003 resulting in unexplained variance of Kshs.417,280.

In the circumstances, the accuracy of the total current assets comparative balance of Kshs.3,166,283 could not be confirmed.

Inaccurate Statement of Cash Flows

The statement of cash flows reflects a cash and cash equivalents balance as at June, 2023 of Kshs.476,380 which differed with the recomputed balance of Kshs.582,674 resulting in a variance of Kshs.106,294 attributed to the net cashflows from operating activities wrongly disclosed as Kshs.1,709,034 instead of Kshs.1,752,391 and cash and cash equivalents as at 1 July, 2023 wrongly disclosed as Kshs.12,976 instead of Kshs.75,915.

In the circumstances, the accuracy and completeness of the statement of cash flows 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 my ethical responsibilities in accordance with the ISSAI and in accordance with other technical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.10,750,000 and Kshs.7,385,510 respectively, resulting in an under-funding of Kshs.3,364,490 or 31% of the budget. However, the college spent a balance of Kshs.5,676,476 against actual receipts of Kshs 7,385,510 resulting in an under-utilization of Kshs.1,709,034 or 23% of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of

auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

Other Information

The Management is responsible for the other information set out on page ii to xx which comprise of Key Entity Information and Management, The Board of Governors Members, Management Team, Chairman' Statement, Report of the Principal, Statement of Performance against Pre-determined Objectives, Management Discussion and Analysis, Report of the Board of Governors and Statement of Board's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Technical and Vocational College 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 6 December, 2023 instead of the statutory deadline of 30 September, 2023. This was contrary to the Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

Incomplete Asset Register

The statement of financial position reflects property, plant and equipment balance of Kshs.1,654,760 as disclosed in Note 16 to the financial statements. However, the asset register did not document the terms on which the assets are held, the dates of acquisition, major change in use, and capital expenditure relating to the assets contrary to Regulation 40(1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020.

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

3. Lack of a Procurement Plan

The statement of financial performance reflects total revenue and expenses amount of Kshs.7,385,510 and Kshs.5,765,090 respectively. However, during the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process, contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

4. Lack of an Approved Budget

The statement of comparison of budget and actual amounts reflects total income and expenditure final budget of Kshs.10,750,000 and Kshs.6,500,000 respectively. Further, the statement reflects a capital expenditure final budget of Kshs.1,500,000. However, the budget provided for audit was not approved by the Board of Governors contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015 which provides that National government entities shall execute their approved budgets based on the annual appropriation legislation.

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

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows: -

Page 17 of the financial statements was left blank.

- i) The statement of cash flows reflects cash and cash equivalent balance as being disclosed on Note 26 instead of Note 13. The cashflows from operating activities is reflected to be disclosed on Note 46 to the financial statements yet the last Note is 3.

- iii. The summary of significant accounting policies indicates financial year 20xx/20xx and date xxx in the budget information at page 11. Also, current income tax reflects schedule xxx income tax Act xxx on the same page.
- iv. Capital risk management and related party transactions were not disclosed in the financial statements as required by the template.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

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 year under review, the College had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity shall assess effectiveness of the entity through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Lack of Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.1,654,760 as disclosed in Note 18 to the financial statements which includes buildings on land measuring approximately thirty-five (35) acres of undetermined value. However, land ownership documents were not provided for audit.

the circumstances, the ownership and safe custody of the property, plant and equipment valued at Kshs.1,654,760 could not be confirmed.

Failure to Hold adequate Board of Governors Meetings

During the year under review the Board of Governors held only one sitting, instead of the recommended minimum of four sittings. Further, the board did not have approved work plan, and did not conduct its affairs through committees as guided by Circular no. C/CA/9/1A dated March 2020 and Section 1.7 (1) of the Mwongozo guidelines.

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 the Management and Those Charged with Governance

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

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

04 June, 2025

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

Statement of Financial Performance for The Year Ended 30 June 2023

	Note s	2022 - 2023	2021 - 2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government Entities	6	3,218,000	1,867,500
		3,218,000	1,867,500
Revenue from Exchange transactions			
Rendering of services- fees from students	7	4,167,510	805,590
Revenue from Exchange transactions		4,167,510	3,090,370
Total Revenue		7,385,510	
Expenses			
Use of goods and services	8	4,176,119	1,581,822
Employee costs	9	1,457,000	577,500
Board Expenses	10	-	-
Depreciation and amortization expense	11	131,971	3,693,458
Repairs and maintenance	12	-	-
Total Expenses		5,765,090	5,852,780
Other Gains/(Losses)			
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		1,620,420	(2,762,410)

(The notes set out on pages 20 to 30 form an integral part of the Annual Financial Statements).

The financial Statements set out on pages 1 to 30 were signed by:

.....
 Chairman of Board Finance Officer Principal

Date: 21/4/2025 Date: 21-04-25 Date: 21/04/2025




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

3. Statement of Financial Position as at 30th June 2023

Description	Notes	2022 - 2023	2021 - 2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	476,380	75,913
Current portion of receivables from exchange transactions	14(a)	3,335,650	805,590
Receivables from non-exchange transactions	15	2,532,000	1,867,500
Inventories	16	-	-
Investments in financial assets	17	-	-
Total Current Assets		6,344,030	3,166,283
Non-Current Assets			
Long term receivables from exchange transactions	14(b)	-	-
Property, plant, and equipment	18	1,654,760	86,850,939
Total Non-Current Assets		1,654,760	
Total Assets		7,998,790	90,017,222
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	-	-
Total Current Liabilities		-	-
Non-Current Liabilities			
Total non-current liabilities		-	-
Total Liabilities		-	-
Net Assets		7,998,790	554,077
Reserve Reserves		-	-
Accumulated Surplus		-	(2,762,410)
Capital Fund		-	87,254,812
Total Net Assets and Liabilities		7,998,790	90,017,222

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

The Financial Statements set out on pages 1 to 32 were signed by:

		
.....
.....
Chairman of Board	Finance Officer	Principal

Date: 21/07/2025	Date: 21-04-25	Date: 21/07/2025 .
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4. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	139,384	139,384
Capital grants received during the year	-	-	1,867,500	1,867,500
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At June 30, 2022	-	-	2,006,884	2,006,884
At July 1, 2022	-	-	2,006,884	2,006,884
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	1,577,064	1,577,064
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At June 30, 2023	-	-	3,583,947	3,583,947

Note:

1. For items that are not common in the financial statements, the entity 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.
2. 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).

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

5. Statement of Cash Flows for The Year Ended 30 June 2023

Description		2022 - 2023	2021 - 2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		3,218,000	1,867,500
Rendering of services- fees from students		4,167,510	1,222,870
Total Receipts		7,385,510	3,090,370
Payments			
Use of goods and services		4,219,476	1,581,822
Employee costs		1,457,000	577,500
Board Expenses		-	-
Repairs and maintenance		-	1,200
Total Payments		5,676,476	2,160,500
Net Cash Flows from operating activities	46	1,709,034	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,245,630)	(125,000)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(1,245,630)	(125,000)
Cash flows from financing activities			
Net cash flows used in financing activities		(-)	(-)
Net Increase/(Decrease) in Cash and Cash equivalents		463,404	
Cash and Cash equivalents at 1 st July 2023	26	12,976	292,135
Cash and Cash equivalents at 30th June 2023	26	476,380	75,913

6. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	5,750,000	(-)	5,750,000	3,218,000	2,532,000	56%
Rendering of services- fees from students	5,000,000	-	5,000,000	4,167,510	832,490	83%
Total Income	10,750,000	(-)	10,750,000	7,385,510	3,364,490	69%
Expenses						
Use of goods and services	4,500,000	-	4,500,000	4,176,119	280,524	94%
Employee costs	2,000,000	(-)	2,000,000	1,457,000	543,000	73%
Board Expenses	-	(-)	-	-	-	0%
Repairs and maintenance	-	(-)	-	-	-	0%
Total Expenditure	6,500,000	(-)	6,500,000	5,676,476	823,524	87%
Surplus For the Period	4,250,000	-	4,250,000	1,752,391	2,540,966	40%
Capital Expenditure	1,500,000	-	1,500,000	1,245,630	254,370	83%

(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 original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis; statement of financial performance is accrual) provide a reconciliation.

7. Notes to the Financial Statements

1. General Information

Tana River Technical and Vocational College is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is enhancing Access to TVET training by providing opportunities for all eligible trainees.

2. Statement of Compliance and Basis of Preparation

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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

Standard	Effective date and impact:
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

iii. Early adoption of standards

Tana River Technical and Vocational College did not early-adopt any new or amended standards in year 2023. The impact of these standards on entity's financial statements.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on .xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of .xxx on the FY 20XX/20XX budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 18 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule .xxx of the .xxx Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

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

e) Property, plant and equipment

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

Leases

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

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payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

Financial instruments

PSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Tana River Technical and Vocational College.

c) Provisions

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

Contingent liabilities

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

Contingent assets

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

Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Tana River Technical and Vocational College 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.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

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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.

e) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

f) Service concession arrangements

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

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.

Comparative figures

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

Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,218,000	867,500
Recurrent Grants	2,000,000	1,000,000
Unconditional Development grants	-	-
Other Grants	-	-
Total unconditional Grants	3,218,000	1,867,500
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Total Government Grants and Subsidies	3,218,000	1,867,500

(a) Transfers from other Government entities (Categorized)

Name of the 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	2021 - 2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Min. of Education – State Dept. of TVET	3,218,000	2,532,000	-	5,750,000	-
Total	3,218,000	2,532,000	-	5,750,000	-

7. Rendering of Services

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Tuition Fees	4,149,410	805,590
Activity Fees	-	-
Industrial Attachment Fees	-	-
Examination Fees	18,100	-
Library Fees	-	-
Facilities And Materials	-	-

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Registration Fees	-	
Others	-	-
Total Revenue from The Rendering of Services	4,167,510	805,590

Notes To the Financial Statements (Continued)

1. Use of Goods and Services

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Teaching and learning materials	-	143,950
Electricity	215,236	143,830
Water	233,300	98,200
Advertising	-	47,000
Examination fees	90,000	149,000
Catering, conferences, and delegations	2,427,950	711,257
Travelling and accommodation	547,900	126,000
Fuel and oil	16,630	4,890
Cleaning expenses	-	30,000
Printing and stationery	78,725	60,720
Medical expenses	6,900	-
Transport expenses	16,350	-
Telephone expenses	25,000	31,000
Internet expenses	158,048	10,000
Training expenses	327,800	210,750
Entertainment Expenses	50,700	30,400
Bank Charges	6,430	732
Total good and services	4,176,119	1,581,822

Notes To the Financial Statements (Continued)

9. Employee Costs

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Salaries and wages	1,457,000	507,000
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Employee Costs	1,457,000	577,500

10. Board Expenses

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	-	-
Other Board Expenses	-	-
Total	-	-

11. Depreciation and Amortization expense

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Property, Plant and Equipment	131,971	3,693,458
Intangible Assets	-	-
Investment Property carried at cost	-	-
Total depreciation and amortization	131,971	3,693,458

12. Repairs and Maintenance

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers and Accessories	-	-
Total Repairs and Maintenance	-	-

Notes To the Financial Statements (Continued)

13. Cash and Cash Equivalents

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Current Account	368,875	75,913
Cash in Hand	107,805	-
Total Cash and Cash Equivalents	476,380	75,913

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

Financial Institution	Account number	2022 - 2023	2021 - 2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1284649210	368,875	75,913
Equity Bank, etc.		-	-
Sub- Total		368,875	75,913
b) Others			
Cash in Hand		107,805	-
Sub- Total		107,805	-
Grand Total		476,380	75,913

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Current Receivables		
Student Debtors	3,335,650	805,590
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	3,335,650	805,590

Notes to the Financial Statements (Continued)

14 (b) Long- term Receivables from Exchange transactions

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	(-)	(-)
Total	-	-
Current Portion Transferred To Current Receivables	(-)	(-)
Total Non-Current Receivables	-	-
Total Receivables		-

14 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	2022 - 2023	% of the total	2021 - 2022	% of the total
Less than 1 year	832,490	25%	2,503,160	100%
Between 1- 2 years	2,503,160	75%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	3,335,650	100%	2,503,160	100%

14 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	(-)	(-)
Write offs during the year	(-)	(-)
At the end of the year	-	-

Notes to the Financial Statements (Continued)

15. Receivables from Non-Exchange transactions

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	2,532,000	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	2,532,000	-

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

5 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	2022 - 2023	% of the total	2021 - 2022	% of the total
less than 1 year	2,532,000	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
total	2,532,000	100%	-	%

15 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

16. Inventories

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements (Continued)

7. Investments in financial assets

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2022 - 2023	2021 - 2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	-	202,520	100,000	-	85,000	-	-	387,520
Additions	-	-	-	-	125,000	146,860	-	271,860
Disposals	(-)	(-)	-	-	(-)	-	(-)	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)	-	-	(-)
At 30th June 2022	-	202,520	100,000	-	210,000	146,860	-	659,380
Additions	-	1,075,330	-	123,800	18,000	28,500	-	1,245,630
Disposals	(-)	-	-	-	(-)	-	(-)	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)	-	-	(-)
At 30th June 2023	-	1,277,850	100,000	123,800	228,000	175,360	-	1,905,010
Depreciation And Impairment								
At 1 July 2021	-	20,252	16,670	-	25,500	-	-	62,422
Depreciation	-	-	-	-	37,500	18,358	-	55,858
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	(-)	-	-	(-)
At 30 Jun 2022	-	20,252	16,670	-	63,000	18,358	-	118,280
Depreciation	-	107,533	(-)	15,475	5,400	3,563	-	131,971
Disposals	-	-	-	-	-	-	-	-
Impairment	-	(-)	-	-	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	(-)	-	(-)	-
At 30th Jun 2023	-	127,785	16,670	15,475	68,400	21,920	-	250,250
Net Book Values		1,150,065	83,330	108,325	159,600	153,440		1,654,760
At 30th Jun 2022	-	182,268	83,330	-	147,000	128,503	-	541,101

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th Jun 2023	-	1,150,065	83,330	108,325	159,600	153,440	-	1,654,760

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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	20,000,000	-	20,000,000
Buildings	69,019,507	6,729,401	62,290,105
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	100,000	16,670	83,330
Computers and Related Equipment	15,000,000	1,000,000	14,000,000
Office Equipment, Furniture, And Fittings	1,835,090	440,999.05	1,394,090.95
Total	105,954,597	8,187,070	97,767,526

19. Trade and Other Payables

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
Trade payables	-	-	-	-
Fees paid in advance	-	-	-	-
Salary deductions	-	-	-	-
Third-Party Payments	-	-	-	-
Other Payables	-	-	-	-
Total Trade and Other Payables	-	-	-	-
Ageing analysis:	2022 - 2023	% of the Total	2021 - 2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals above)	-	%	-	%

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Notes to the Financial Statements (Continued)

10. Cash generated from operations.

Surplus for the year before tax	2022 - 2023	2021 - 2022
	Kshs	Kshs
Adjusted for:		
Depreciation	131,971	3,693,458
Non-Cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and Losses on Disposal of Assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	(-)	(-)
Increase in Receivables	(2,532,000)	1,581,822
Increase in Deferred Income	-	-
Increase in Payables	824,500	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	(1,575,530)	5,275,280

Events After the Reporting Period

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

Ultimate and Holding Entity

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

Currency

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

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

8. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

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 implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

.....
Name: Mohamed Adan Sora
(The Principal)

Date: 21/04/2025.

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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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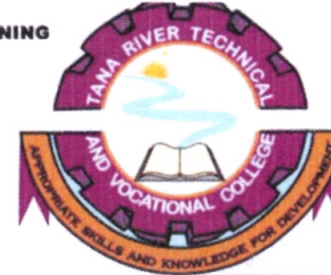
Appendix III- Inter-Entity Confirmation Letter



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

The State Department for Technical and Vocational Training
 P.O Box 9583-00200
 Nairobi.

The State Department for Technical and Vocational Training wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		

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DTE/CAP 9/36(142)	21 st October, 2022	290,000	-	-	290,000	290,000	-
MoE/DTE/CAP9/35 (101)	21 st October, 2022	500,000	-	-	500,000	500,000	-
MoE/DTE/CAP9/35(94)	18 th January, 2023	500,000	-	-	500,000	500,000	-
DTE/CAP9/36 (142)	30 th January, 2023	464,000	-	-	464,000	464,000	-
Total							

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

Head of Accountants department of beneficiary Entity:

Name Mohamed S. Adan Sign [Signature] Date 21/04/25

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

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

There was no expenditure related to Disaster in the FY 2022/2023