

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2023

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 JUN 2025	DAY: TUESDAY
TABLED BY:	THE LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	WILLIS OBIERO



(RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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

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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

2. Key Entity Information and Management

(a) Background information

Riragia Technical and Vocational College was established under the TVET Act 2013 and commenced its operations on 15/07/2020. The Institution is domiciled in kegogi approximately 1 kilometre from Kegogi market. The institution is under the Ministry of Education.

(b) Principal Activities

The principal activity/ mandate of the institution is to train students in technical courses.

VISION:

A top- class institution empowering youth with market driven technical and vocational skills and competencies for a brighter future.

MISSON:

To develop highly qualified human resources by providing quality training applied research and entrepreneurship skills that are responsive to industry demands.

MOTTO:

To understand the course of things to innovate new ways of doing them better
“home of innovation”

CORE VALUES:

Riragia Technical and vocational college is committed to the following core values:

- i. Integrity
- ii. Transparency and Accountability
- iii. Creativity and Innovation
- iv. Professionalism & Teamwork
- v. Financial Sustainability
- vi. Environmental sustainability

(c) Key Management

The entity’s day-to-day management is under the following key organs:

1. Board of governors
2. Principal/ Bog Secretary
3. Deputy Principal
4. Principal’s Management Committees
5. HOD’S

(d) **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Benster obobe
2.	Ag.Deputy principal	Collins odhiambo
3	Registrar	Moffine Mose
4	Dean of students	Joab asande
5	Head of Finance	Peterson ogwora
6	Head of procurement	Beryl mainga
7	Ag. Human resource	Peterson ogwora

(e) **Fiduciary Oversight Arrangements**

- *Audit and risk committee activities*

Members -Peter kigen
- Samwel Angira
- Doris nyakangi

- *Finance and operations committee activities*

Members - Jared Onyach
- Ogembo ndegwa
- Christine sagwa

- *Academic committee activities*

Members -Athanas mokaya
- Samwel angira
- Enock ogembo

(f) **Entity Headquarters**

P.O. Box 1809
Kisii.
Kisii-kisumu highway
KENYA

(g) **Entity Contacts**

Telephone-0741354419,0783609174
E-mail: riragiatti@gmail.com
Website: riragiatti@.go.ke

(h) **Entity Bankers**

Kcb limited
Kisii West
Kisii Kisumu highway




(i) **Independent Auditors**






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

(j) Principal Legal Adviser





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

3.The Board of Governors



<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Samuel Angira(Chairman)	Holds Bsc. (Honors) -Chairman Board of Governors for Riragia TVC) 2020 - Present -Vice Chairman of the Audit Team(2000 – 2015)Senior ISO -Auditor(Bureau Veritas) Jubilee Insurance -Senior Manager –Benefits Administration (2014 – 2015) Jubilee Insurance -Senior Team Leader Customer-Service/ Operations (2001 – 2013) Jubilee Insurance -Assistant Superintendent Underwriting Department (1986 – 1989) Jubilee Insurance -Actuarial Assistant –Pensions and Group Life Department (1983 – 1985) Jubilee Insurance
2.	 Mr Benster Obobe	Holds Bsc in Agricultural Education and Extension 2000-2012 trainer at Nyamira Technical 2013 – 2020 HOD Agriculture Department at Mawego Technical Training Institute Currently he is the deputy principal Riragia Technical and Vocational College
3.	 Mr. Jared Onyach (Member)	Holds Msc. in human resource development Certified Public Secretaries (Kenya) Certified Organizational Development (OD) Practitioner, East African Support Unit for NGOs (EASUN) He is a specialist in human resource management, strategic management and organizational management, he chairs general purpose and finance committee.

4	 Arc. Enock Ogembo (Member)	Holds MSc Project Management from JKUAT, Bachelor of landscape architecture from JKUAT He is a General Manager Shajena Enterprises limited and Chief Executive Officer Pixel Studio Limited and he is also a landscape architect consultant in Primescapes Limited. He is accredited in building works by NCA.
5	 Christine Sagwa (Member)	She holds BA from Moi University Eldoret She holds postgraduate diploma in law, she also has a certificate of pupillage – Asati & Company Advocates She is an advocate of the high court of Kenya. Currently she is managing CR Sagwa & Co. Advocates.
6	 Dr. Doris Nyangoge Nyokangi (Member)	She holds a Phd in Education from University of South Africa (UNISA) MED in education and B.Ed from University of Nairobi Has worked as a lecturer at Egerton University from 2015-2017, Lecturer and research assistant at UNISA and currently she is chief officer education in Kisii County
7	 Mr. Peter Kigen (Member)	Holds Bachelor of commerce (Accounting Option) from The Catholic University of East Africa He is CPA (K) holder He is a registered member of ICPAK He Works as an accountant with KTDA He chairs risk and audit committee
8	 Mr. Athanas Mokaya (Member)	Holds higher diploma in electrical and electronics (power electronics option) Holds MBA from JKUAT A former principal Kisii National Polytechnic Has got overwhelming experience in leadership and TVET matters. He chairs education and research committee

4. Key Management Team

SN.	Member	Details
1.	 Mr Benster Obobe (Principal)	Holds Bsc in Agricultural Education and Extension 2000-2012 trainer at Nyamira Technical 2013 – 2020 HOD Agriculture Department at Mawego Technical Training Institute Currently he is the principal Riragia Technical and Vocational College
2.	 Mr Collins Odhiambo (Ag. Deputy Principal)	-Holds B.Ed Mechanical Technology (Moi University 2010) -2019 Oct-Present – Trainer at Riragia TVC and Ag. Registrar -2016 Feb-2019 Oct Trainer at Keroka Technical Training Institute. Served as Assistant H.O.D. Mechanical Engineering while at Keroka Technical Training Institute. -2018- Five months Welding Technology Training by Avic Int. and MoE -2011-2016 Jan- Worked with KCB bank as a DSA and clerk
3.	 Moffine Mose (Ag. Registrar)	Holds a bachelor's degree in Applied Computer Science from Kisii University and an Advanced Diploma in Technical Education from Kenya Technical Trainers College (KTTC) now Known as Kenya School of TVET. Currently he is the Ag. Registrar Riragia TVC
4.	 Joab Osebe (Dean of Student)	Completed Bitech. Mechanical from I-UK awaiting graduation, Diploma and craft in mechanical (production) He was a plant technician at KTDA. Mechanical technician 1 at Kisii National polytechnic and currently Ag. Dean of student and trainer at Riragia TVC

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5.	 Peterson Ogwora (Head of finance)	CPA part II Holder from Kisii college of accountancy (KCA) 2011-2020 Accountant Gekongo secondary school. 2021 Finance officer Riragia TVC
6.	 Beryl Awuor Mainga (Head of Procurement)	Bachelor's Degree in Business Management (Purchasing and supply chain management) 2020-2021 Intern Omuga TVC 2021 procurement officer Riragia TVC

5. Chairman's Statement

Riragia Technical and vocational college is a new TVET institution. It opened its doors on 15th July 2019 admitting its first batch of students.

The board of governors was subsequently appointed by the cabinet secretary for education then and held its inaugural meeting on 14th February 2020. On behalf of the entire board, I would wish to thank the cabinet secretary for this appointment.

The Board therefore embarked on a mission to put in place systems, policies, procedures and other frameworks to enable full operationalization of the college. Subsequent to this the Board has already approved the Riragia Technical and vocational college strategic plan, in addition to the strategic plan the Board as also nominated various board committees.

The college however faced a number of challenges due to lack of enough financial resources, there were also problems of water due to lack of enough water tanks, partially fenced college compound, no enough training machinery, and lack of enough furniture. The college seems to overcome the challenges since trainee's enrolment is increasing hence making the future look bright.

The Board has entrusted day to day running of the institution to management headed by the principal who together with the staff ensures that policies put in place by the Board are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

The Board intends to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, enhance sustainability and monitor achievement of targets, the Board gives an assurance on continued support to management as they exercise their oversight role for effective performance.

The overall achievements of the college reflect the enormous hard work of our staff over a period of time. They also reflect the commitment of Board of governors to the academic strategy and to securing the institutes financial sustainability.

I wish to finally thank the government of kenya, ministry of education state department of TVET, fellow board members, management and staff for their dedication and participation over the financial in striving to make Riragia Technical and vocational college globally competitive technical and vocational training college for trainees in the region.

Thank you


Mr samwel Angira

CHAIRMAN.

6. Report of the Principal

Introduction.

Presented here is the yearly report and financial statements of Riragia Technical and Vocational college for the financial year ended 30th June, 2023 as required by the public finance management act 2012.

Riragia Technical and vocational college's performance during the year under review is impressive despite few challenges faced in its maiden year. The government capitation still remains as the institute's main source of income.

The college has continued with its core business of disseminating knowledge through, training and innovation. The current trainee population has increased to 809 trainees and is expected to increase further by the end of the next financial year.

Development partner's project

Currently there is no major on-going development project except that the college has built four lecture halls pending painting for use in the next financial year. However, we have built two temporary structures in the college compound to be used during practical lessons i.e building and automotive workshops.

Operational results.

Financial resources has been a big challenge in the just ended year.

At the close of the financial year, the college had received ksh 5,183,000 capitation grant from Gok and ksh1,000,000 from NGCDF.

The college therefore had a total income of ksh12,127,305 against total expenditure of ksh13,737,006. Giving a deficit of ksh1,609,701.

We hope to fence and secure the college compound as well as work towards getting water tanks to supply enough water in the college, we are also working in conjunction with NGCDF and other donors to improve infrastructure. Hopefully this will be witnessed in the next Financial year.

Conclusion

On behalf of Riragia Technical and Vocational college management and staff, I wish to take this opportunity to thank the government of Kenya, our development partners and all stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the college board of governors to help provide policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the college.

Thank you

Benster Obobe

The principal.



7. Statement of Performance against Predetermined Objectives

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

Riragia Technical and vocational College has six strategic pillars and objectives within its strategic plan. These pillars are as follows;

Pillar 1; To achieve financial viability and sustainability

Pillar 2; To develop a strong and a well-managed institution

Pillar 3; To provide quality education and technical training

Pillar 4; To improve corporate governance and image

Pillar 5; To expand and improve the physical facilities

Pillar 6; To enhance risk management and disaster preparedness.

Being the second year of operation Riragia TVC will develop its annual work plan based on the above 6 pillars. Assessment of the Board performance against its annual work plan will be done on quarterly basis.

8. Corporate Governance Statement

We believe in good corporate governance as an institution. The board provides leadership through oversight, review and guidance whilst setting strategic direction.

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on 14th February 2020

Board meetings are held quarterly and as and when need arises. The college ensures that it provides the necessary resources and expertise to the board to assist it in their decision making. The ministry of education is also regularly consulted on key policy matters.

General Responsibilities

The Board has a duty to the people of Kenya to ensure that Riragia TVC achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant acts of parliament and all ministry directives and guidelines issued from time to time.

The statutory functions of the Board includes:

- Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET act 2013
- Develop and implementing of Riragia TVC strategic plan.
- Administering and managing the property of the institution.
- Mobilizing resources for the institution.
- Providing for the welfare of the students and staff of the institution.
- Making regulations governing organization and conduct and discipline of staff students.
- Recruiting and appointing trainers from among qualified professionals.
- Encouraging , nurturing and promoting democratic culture, dialogue and tolerance in the institution.
- Preparing comprehensive annual reports on all areas of their mandate.
- Discharging all other functions conferred upon by the TVET Act 2013 or any other written laws.

Risk Management and Internal Controls.

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The risk management policies are established to identify and analyse the risk faced by the institution and to set appropriate risk limits and controls and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently the institution identifies and manages risk through in- house risk review enhanced by compliance by internal and external audits.

The institution has in place a system of internal control systems with defined operating procedures, financial and operating controls to ensure that resources are safeguarded, transactions authorised, validated and reported in line with IPSAS.

Conflict of Interest

All Board members are under a duty to avoid any conflict of interest. This entails not engaging directly or indirectly in any business that competes or conflicts with the institution's business. The Board has established a robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Compliance

The Board confirms that it is satisfied that though the institution has inadequate resources it can continue operating for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the laws in particular to:

- . The constitution of Kenya, 2010.
- . TVET Act ,2012.
- . PFM Act ,2012.
- . Procurement and Asset disposal Act 2015.
- . IPSAS Standards.
- . All other relevant laws in its operation (ministry of education circulars).

Riragia Technical and Vocational College also has internal policies which are yet to be ratified and used in its operations. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are inter alia; financial management policy, procurement policy and academic policy.

9. Management Discussion and Analysis

INTRODUCTION.

This discussion and analysis provide an overview of the results of activities and financial position of Riragia TVC. Being the the third year of operation, comparative information is available for comparison over the previous year. This overview gives a brief financial statements and the notes that follow.

FINANCIAL HIGHLIGHTS.

Revenue.

Riragia TVC's revenue stood at ksh12,127,305. The trainee's population at the close of financial year stood at 809 trainees.

It is hoped that in FY 2023/2024, income of the institution will increase as a result of successful registration with HELB and KUCCPS.

Expenditure.

Total expenditure stood at at ksh 13,737,006.

It should be noted that employee costs stood at 26.2% of total costs. This is below the recommended ceiling of 30%.

Board expenses stand at 1.7% of total expenditure. This is within the recommended 5%.

Use of goods and services stood at 72.6% of total expenditure. This comprises basically of expenses incurred to operationalize the college. It is worth noting that due to lack of enough funds, trainees are lacking enough lecture halls. However the college has managed to construct four lecture halls to facilitate smooth learning in the next financial year.

Compliance with statutory Requirements.

The college is operating under legal frameworks necessary under public sector requirement such as:

- . The constitution of kenya, 2010
- . TVET Act, 2013
- . PFM Act, 2012
- . Procurement and Asset disposal Act, 2015
- . IPSAS standards.
- . All other relevant laws in its operation (regular circulars from treasury and the ministry.

The college has also internal policies to be ratified to be used in its future operations. The Board is to discuss and approve the following policies in the next financial year;

- Financial Policy

- Human Resource Policy
- Road Safety Policy
- Environmental Management Policy
- Organization Structure
- ICT Policy
- Disability Mainstreaming Policy
- Gender Mainstreaming Policy
- HIV and AIDS Workplace Policy
- Service Charter
- Public Sector Risk Management Policy
- Procurement Policy
- Others include: Intellectual Property Policy, Work Study Policy, Staff Welfare Association (RTSV) Constitution, Industrial Liaison Officer Policy, Academic Policy.

The Board has overall responsibility for the oversight of the college risk management framework. The college is developing risk management policies to identify and analyse the risk faced by the college, set appropriate risk limits and controls and monitor risk and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the college activities.

The principal will then oversee how management monitors compliance with the college risk management policies and procedures review the adequacy of the risk management frame work in relation to the risk faced by the college. The college can also be exposed to the following risks in the future;

Liquidity risk.

This is the risk that the college will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The college's approach to manage liquidity is to ensure as far as possible, that there is always sufficient cash to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the college reputation.

Credit risk.

Credit risk is the risk of financial loss to the college if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from student minimizes the credit risk exposure. The college will in the future implement fees payment policy which will define how and when fees are supposed to be paid thus minimizing the credit risk exposure.

10. Environmental and Sustainability Reporting Statement

Riragia TVC exists to transform lives. This is our main purpose; the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational excellence.

Environmental performance

The college's approach to sustainability is based on the college mission to develop highly qualified human resources by providing quality education, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to cushion its operations. It is also establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The college will also sign an MOU with at least two industry players to among others enhance its capability to generate income in collaboration with industry.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned at increasing the capacity and capability of the trainers through development workshops and trainings.

Riragia TVC strives to be a responsible business representing the higher standards of ethics and professionalism. We have reviewed the global best practise guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that Riragia TVC is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and pro activeness. Riragia TVC, compliance refers to our commitment to upholding all legal requirements, and willing to observe acknowledgement, and respect community values and laws.

- Recognise that privacy is a fundamental right, and we will comply with all laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Riragia TVC values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will also follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certificate and other environmentally sustainable best practice.

Employee welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the Riragia TVC are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

Riragia TVC respect all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our employees at all times, recognize that the success of Riragia TVC is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will also ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights all people, involved in our business. Riragia TVC is dedicated to protecting human rights. We practice and commit to equal opportunity and will always abide by fair labour practices.

Additionally, Riragia TVC will ensure that our activities do not directly or indirectly violate human rights in any way.

Market place practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. There are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees.

Corporate Social Responsibility / Community Engagements.

Riragia TVC recognises an expectation to have a positive impact on our community, and we promote this expectation through social work, volunteering and community services.

Our pro activeness is manifested by emphasising and recognizing human rights locally and globally and actively engaging with our communities through volunteering and community services, while always protecting and and respecting our natural environment through our actions and policies.

During the year the college lost one of its trainees where the college actively participated in its burial arrangements

Riragia Technical and Vocational College
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As an institution, we will formulate policies and take action to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can be ultimately be better together. Our policies , practices , programs , activities and decisions regarding employment , hiring , assignment , promotion, compensation , volunteerism and internships are not based on a person's ethnicity ,colour , sex, age, religion, national origin, mental or physical disability , ancestry , sexual orientation , gender identity or expression , marital status , source of income, parental status , housing status, or other protected status. We strongly encourage women, youth, persons with disabilities and members of the community to join the institution and live our shared values.

Riragia TVC will always;

- . Respect and uphold applicable local, county, and national laws to the best of our abilities.
- . Honour and review all internal policies for complete and responsible implementation.
- . Ensure that all business transactions and relationships are legitimate, free of influence and bribery.
- . keep all partnerships and collaborations transparent and open.

11. Report of the Board of Governors

The board members submit their report together with the audited financial statements for the year ended 30th June 2023. Which shows the state of Riragia Technical and vocational college's affairs.

Principal activities.

The principal activity of Riragia Technical and vocational College is to provide training in technical and vocational skills, research, innovation and management services. In addition, the college intends to participate in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results.

The results of Riragia technical and vocational college for the year ended 30th June 2023 are set out on pages 1-5

Board of Governors

The members of the Board who served during the year are shown on page ii-iii

Auditors

The Auditor General is responsible for the statutory audit of Riragia Technical and vocational college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However the auditor's report for 2021-2022 is available with a qualified opinion.

By Order of the Board

Pamela Makeni
Pamela

Secretary of the Board



12. Statement of Board of Governor'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 institution, which give a true and fair view of the state of affairs of Riragia Technical and vocational college at the end of the financial year and the operating results of the Riragia Technical and vocational college for that year. The Board members are also required to ensure that the Riragia Technical and vocational college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Riragia Technical and vocational college. The Board members are also responsible for safeguarding the assets of the Riragia Technical and vocational college.

The Board members are responsible for the preparation and presentation of Riragia Technical and vocational college financial statements, which give a true and fair view of the state of affairs of the Riragia Technical and vocational college for and as at the end of the financial year ended on 30th June 2023. This responsibility includes:

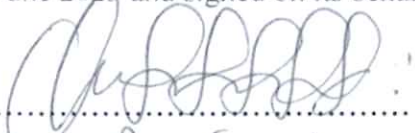
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Riragia Technical and vocational college;
- (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 Riragia Technical and vocational college; (v) selecting and applying appropriate accounting policies; and
- (v) making accounting estimates that are reasonable in the circumstances.

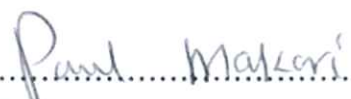
The council members accept responsibility for Riragia Technical and vocational college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that Riragia Technical and vocational college's financial statements give a true and fair view of the state of Riragia Technical and vocational college's transactions during the financial year ended June 30, 2023, and of Riragia Technical and vocational college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Riragia Technical and vocational college, which have been relied upon in the preparation of Riragia Technical and vocational 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 Riragia Technical and vocational college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Riragia Technical and vocational college's financial statements were approved by the Board on 30th June 2023 and signed on its behalf by:

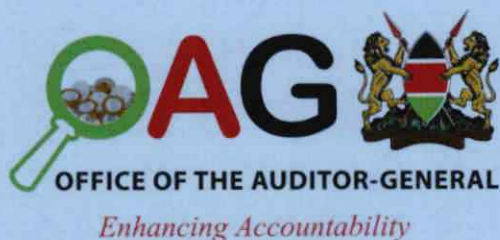

Name Patricia Nyagosia
Chairperson of the Board


Name Paul Makori
Accounting Officer/Principal



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the 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 Riragia Technical and Vocational College set out on pages 1 to 32, which comprise the statement of financial

Report of the Auditor-General on Riragia Technical and Vocational College for the year ended 30 June, 2023

position as at 30 June, 2023, and the statement of financial performance, the statement of changes in net assets, statement of cash flows and statement of comparison of budget actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Menya and Associates, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects 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 the Riragia Technical and Vocational College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Material Uncertainty in Relation to Sustainability of Services

The audit review and the trend analysis of the statement of financial performance for the past two years revealed that the college had been on declining profitability where the College had a surplus of Kshs.4,417,324 in the financial year 2020/2021 which decreased to Kshs.3,324,718 in the financial year 2021/2022 and a deficit of Kshs.1,609,701 in the financial year 2022/2023. This is an indication that the college may be experiencing financial difficulties in meeting its obligations or in financing its operations and may lead to operational challenges in future.

In the circumstances, the College sustainability of services is uncertain.

2. Inaccuracies in the Financial Statements – Statement of Cashflows

The statement of cashflows reflects cash and cash equivalents as at 1 July 2021 and cash and cash equivalents as at 30 June 2022 balances of Kshs.729,349 and Kshs.3,587,135 which is at variance with prior year's comparative balances of Kshs.693,112 and Kshs.3,550,898 respectively by Ksh.36,237. Further, note 18 to the financial statements reflects property, plant and equipment additions balance of Kshs.762,500. However, the cash flows statement does not disclose purchase of property, plant, equipment under cash flows from investing activities or the statement of cashflows.

In addition, working capital adjustments for current portion of receivables from exchange transactions increase of Kshs.1,446,484, receivables from non-exchange transactions increase of Kshs.880,000, inventories increase of Kshs.239,320 and trade and other payables from exchange transactions increase of Kshs.2,185,804 from the 2021/2022 to 2022/2023 were not disclosed or analyzed in the statement of cashflows.

3. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of the financial position and as disclosed in Note 16 to the financial position reflects a balance of Kshs.5,578,973 on current portion of receivables from exchange transactions. However, no detailed aging analysis and support documents were provided for audit review.

In the circumstances the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.5,578,973 could not be ascertained.

4. Unsupported Receivables from Non-Exchange Transactions

The statement of the financial position and as disclosed in Note 17 to the financial position reflects a balance of Kshs.880,000 of receivables from non-exchange transactions. However, no detailed aging analysis and support documents were provided for audit review.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.880,000 could not be ascertained.

5. Unsupported Trade and Other Payables from Exchange Transactions

The statement of the financial position and as disclosed in Note 20 to the financial position reflects a balance of Kshs.2,217,149 of receivables from non-exchange transactions. However, no detailed aging analysis and support documents were provided for audit review.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.2,217,149 could not be ascertained.

6. Property, Plant and Equipment

The statement of financial position, and as disclosed in Note 19 to the financial statements, reflects property, plant and equipment balance of Kshs.304,047,987. However, the following unsatisfactory matters were noted:

6.1 Un-disclosed and Un-supported Balances

The property plant and equipment balance of Kshs.304,047,987 was not supported with detailed and complete asset register detailing among others assets cost, depreciation, net book value, asset code or serial number. Further, no documents on additions, ownership proof documents, assets acquisition cost and date were provided. In addition, the provided records excluded a number of un-quantified computer accessories, furniture and fittings, loose tools, equipment, machinery and intangible assets. Further, there was no evidence of asset count, valuation, tagging and assets were insured accordingly. In addition, the attached property plant and equipment schedule under note 19 is inaccurate and unreliable as there were no depreciation charge or expense for various assets category.

6.2 Land and Buildings Without Ownership Documents and Value

The balance of Kshs.304,047,987 includes an estimated value of land and buildings of Kshs.102,363,987. However, Management indicated that the College did not have a title deed for the land and that the process of obtaining the title deed had been hampered by

a court case. Further, documents showing historical cost of the buildings were not provided for audit. Management explained that Keroka Technical Training Institute, under whose mentorship the building was constructed, had not handed over the building to the College. As a result, the ownership of the parcel of land and the accuracy of the land and buildings balance of Kshs.102,363,987 as at 30 June, 2023 could not be confirmed

6.3 Assets Donated by the Ministry of Education

As reported in previous years, included in the balance of Kshs.304,047,987 are estimated amounts of Kshs.420,000, Kshs.60,000 and Kshs,200,000 for furniture, computers and plant and other equipment respectively, donated by the Ministry of Education in the year 2020/2021. However, documents from the Ministry showing historical costs of the assets or valuation reports supporting the amounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the reported Property, plant and equipment balance of Kshs.304,047,987 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.36,152,000 and Kshs.12,127,305 respectively, resulting to underfunding of Kshs.24,024,695 (or 66% of the budget). Similarly, the college expended Kshs.13,737,006 against an approved budget of Kshs.36,152,000, resulting to an under-expenditure of Kshs.22,414,994 (or 65% of the budget).

The underfunding and under-expenditure constrained implementation of planned activities and may have impacted negatively on service delivery to the students and other stakeholders of the College.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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 implementation status of Auditor-General 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 iii to xxii which comprises Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against College's Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections 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. Non-compliance to Prescribed Financial reporting Template

The Cabinet Secretary for National Treasury vide gazette notice number 5440 dated 8 July, 2014 approved the adoption of IPSAS Accrual issued by International Accounting

Standards Board for application in all State Organs. The Public Sector Accounting Standards Board in addition issued an IPSAS accrual-based reporting template to be adopted by the state organs. However, the ICPACK Number is not indicated in the statement of financial performance and statement of financial position as required in the reporting template. Further, the notes are not well aligned and are not in sequence, within note 16 is sub-note number 28a, 28 b in page 21 which are not aligned accordingly and the statement of comparison of budget and actual amounts does not give specific explanations of the noted material variances (+/- 10%). In addition, the Appendix on implementation status of Auditor General's recommendations reflects a number of audit issues as resolved or to be resolved by 30 June, 2024. However, most of these issues remain un-resolved. No evidence was provided to confirm if the same were resolved or the current status as at conclusion of the 2022/2023 audit on 18 February 2025. The appendix is also not duly signed by the accounting officer.

In the circumstances, the financial statements do not comply with the reporting format prescribed by the Public Sector Accounting Standards Board.

2. Lack of Approved Staff Establishment and Human Resource Manual

The College does not have an approved staff establishment contrary to the Ministry of Education State Department of Vocational and Technical Education Circular Ref No: MST/DTE/1/1 dated 12 July, 2019 on staff establishment and justification for Technical and Vocational Education and Training (TVET) Institutions, which requires the institutions to develop a staff establishment with, clear justifications for consideration and approval by the Public Service Commission. Further, the College has no Human Resources Manual and established Human Resources office for Human Resources recruitments and other Human Resources functions.

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

3. Non-compliance with the Law on Ethnic Diversity in Staffing

Audit review of employees' records indicated that out of the thirty-six (36) employees of the College, comprising of twenty-four (24) teaching staff and twelve (12) non-teaching staff, thirty-three (33) or 92% of the establishment were from one ethnic community. This was contrary to Section 7(1) and Section 7(2) of the National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and ensure that not more than one-third of its staff are from the same ethnic community.

In the circumstances, Management was in breach of law.

4. Failure to Deduct and Remit Statutory Deductions

As reported in previous year, review of payroll records revealed that National Social Security Fund (NSSF) dues were not deducted from the salaries of the twelve (23) employees of the College and remitted to the respective bodies. This was contrary to Section 14 of the National Social Security Fund Act CAP 258 and National Hospital Insurance Fund Act CAP 255 which require employers to deduct and remit the respective

dues promptly. No evidence or management explanations was provided to confirm the remittance and continued compliance with the above tax laws.

In the circumstances, Management was in breach of law.

5. Non-Functional Human Resource Department

The college does not have a functional human resource department, which is necessary for staff enrollment and motivation. While the functions of human resources were documented in the policy, there was no office bearer accountable for these functions.

In the circumstances, Management was in breach of law.

6. Failure to Maintain Insurance for the College Staff

The audit revealed that all the Board of Governors (BOG) employees the College are not covered by any insurance company. Further, all fixed assets of the College are not insured, exposing the College to risks that may arise during its operation. In addition, cash on transit is also not insured for employees who collect imprest from the bank, further increasing the College's vulnerability to financial loss. This was contrary to section 7 (1) of the Work Injuries and Benefits Act 2007 which states that every employer shall obtain and maintain an insurance policy, with an insurer approved by the ministry in respect of any liability the employee may incur under this Act to any of its employees.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in the Management of Fixed Asset

The audit of the fixed assets revealed that management did not maintain a complete fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, value, asset codes,

custodian and location among other details in respect of the assets the College owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts. Further, there was no reliable asset management system in place and asset inventory was not done on regular basis, at least on annual basis. In addition, no assets manager was appointed or asset management committee put in place to effectively manage the College's assets.

In the circumstances, the effectiveness of the College's internal controls over assets could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

During the financial year under review, the College did not have an internal audit department as required by Regulation 162(2)(a)((b)(c) and (d) of the Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities, the internal auditor with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of internal audit reports, appropriate action to be taken on internal audit recommendations; and the internal auditor to be independent of the programs, operations and activities he or she audits to ensure the impartiality and credibility of the internal audit work undertaken. Further, the College did not have an audit committee contrary to Regulations, 2015 which states that each national government entity shall establish an audit committee or share audit committee with another entity.

In the circumstances, management lacks the required arrangements to provide oversight over management activities.

3. Lack of Documented Risk Management Policy

Information provided indicated that the College operated without a Risk Management Policy and Strategies during the financial year 2022/2023, contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015. Therefore, the College lacked guidelines on how risks were identified, their significance estimated and likelihood of their occurrence were determined. Further, there no guidelines on how risks were controlled and monitored to ensure that correction or mitigation measures were effective in the absence of documentation and reports on the same.

Consequently, it is not possible to determine the effectiveness of controls implemented to control risks.

4. Information, Communication and Technology (ICT) Environment.

Audit review of the College's ICT environment revealed that there was no formal approved ICT policy in place during the year under review, which includes data security policy, and disaster recovery plans. Further, the College's ICT structure was not provided for audit review. In addition, during the year under review, the College did not have an Information Technology (IT) steering committee for ensuring effective IT controls and strategies.

In the circumstances, it is not possible to determine the effectiveness of controls of the College's data including its management information system.

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

2 May, 2025

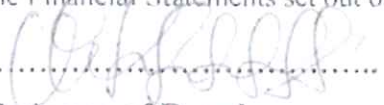
Ririgia Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

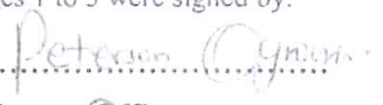
14. Statement of Financial Performance for the Year Ended 30 June 2023

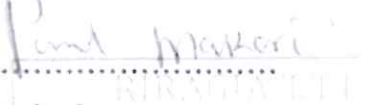
	Notes	FY- 2022-2023	FY 2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,183,000	6,120,000
Transfers from other levels of government		-	-
Public contributions and donations		-	-
		6,183,000	6,120,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	5,361,305	5,038,982
Sale of goods	8	583,000	1,278,000
Rental revenue from facilities and equipment	-	-	-
Finance income		-	-
Other income	9	-	98,220
Revenue from Exchange transactions		5,944,305	6,415,202
Total Revenue		12,127,305	12,535,202
Expenses			
Use of goods and services	10	9,971,069	6,486,796
Employee costs	11	3,342,639	2,301,645
Board /Council Expenses	12	218,000	421,000
Repairs and maintenance	13	189,480	59,975
Finance costs	14	15,818	31,068
Total Expenses		13,737,006	9,300,484
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		(1,609,701)	3,234,718


The notes set out on pages 7 to 27 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:


 Chairman of Board


 Finance Officer


 Principal



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

15. Statement of Financial Position as At 30th June 2023

Description	Notes	FY	FY
		2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	1,597,434	3,587,135
Current portion of receivables from exchange transactions	16	5,578,973	4,132,489
Receivables from non-exchange transactions	17	880,000	-
Inventories	18	239,320	-
Total Current Assets		8,295,727	7,719,624
Non-Current Assets			
Property, plant, and equipment	19	304,047,987	302,843,987
Total Non-Current Assets		304,047,987	302,843,987
Total Assets		312,343,714	310,563,611
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	2,217,149	31,345
Total Current Liabilities		2,217,149	31,345
Non-Current Liabilities			
Total non-current liabilities			
Total Liabilities		2,217,149	31,345
Net Assets		310,126,565	310,532,266
Revaluation Reserves		-	
Accumulated Surplus		6,078,578	7,688,279
Capital Fund		304,047,987	302,843,987
Total Net Assets and Liabilities		310,126,565	310,532,266

The Financial Statements set out on pages 1 to 5 were signed by:

Patrick Mageris

Chairman of Board

[Signature]

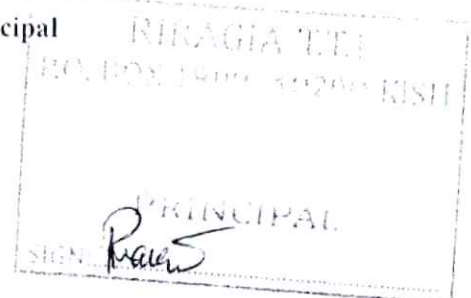
Peterson Ogunwa

Finance Officer

[Signature]

Paul Mageris

Principal



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

16. 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 (previous year)	-	4,453,561	302,843,987	307,297,548
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	3,234,718	-	3,234,718
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2022	-	7,688,279	302,843,987	310,532,266
At July 1, 2022 (current year)		7,688,279	302,843,987	310,532,266
Revaluation gain	-	-		
Surplus/(deficit) for the year	-	(1,609,701)	-	(1,609,701)
Capital grants received during the year	-	-	1,204,000	1,204,000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	6,078,578	304,047,987	310,126,565

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

Description		FY 2022-2023	FY 2021-2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	6,183,000	6,120,000
Grants from donors and development partners			
Public contributions and donations			
Rendering of services- fees from students	7	5,361,305	5,038,982
Sale of goods	8	203,000	870,000
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income	9	-	98,220
Total Receipts		11,747,305	12,127,202
Payments			
Use of goods and services	10	9,971,069	6,486,796
Employee costs	11	3,342,639	2,301,645
Board /Council Expenses	12	218,000	421,000
Repairs and maintenance	13	15,818	
Contracted services		-	-
Grants and subsidies		-	-
Finance Costs	14	189,480	59,975
Total Payments		13,737,006	9,269,416
Net Cash Flows from operating activities		(1,989,701)	2,857,786
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	-	-	-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(1,989,701)	2,857,786
Cash and Cash equivalents at 1 JULY	15	3,587,135	729,349
Cash and Cash equivalents as at 30 JUNE		1,597,434	3,587,135

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

18. Statement of Comparison of Budget & Actual amounts for The 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	18,000,000	-	18,000,000	5,183,000	12,817,000	71
Transfers from other levels of government	2,000,000	-	2,000,000	1,000,000	1,000,000	50
Rendering of services- fees from students	15,852,000	-	15,852,000	5,361,305	10,490,695	66
Sale of goods	300,000	-	300,000	583,000	(283,000)	(94)
Total Income	36,152,000	-	36,152,000	12,127,305	24,024,695	66
Expenses						
Use of goods and services	26,369,000	-	26,369,000	9,971,069	16,397,931	62
Employee costs	6,912,000	-	6,912,000	3,342,639	3,569,361	52
Board /Council Expenses	1,452,000	-	1,452,000	218,000	1,234,000	85
Repairs and maintenance	1,404,000	-	1,404,000	189,480	1,214,520	87
Finance cost	15,000	-	15,000	15,818	(818)	(5)
Total Expenditure	36,152,000	-	36,152,000	13,737,006	22,414,994	65
Surplus/Deficit For the Period	-	-	-	(1,609,701)	(1,609,701)	-
Capital Expenditure	-	-	-	-	-	-

Budget notes)

1. The college projected to raise ksh 36,000,000 from other Government national entities but managed to raise only ksh 5,183,000. This is because the college budgeted capitation rate per trainee to be ksh 7,500 but the Government only managed to fund at the rate of ksh 4,000 per trainee. The government also did not give 4th quarter capitation and recurrent grant for 2022-2023.
2. On the other hand the government through HELB did not remit loans to much of the trainees, as this is the main source of fees for trainees.
3. The college did not manage to receive funds from NGCDF as budgeted for during the year under review, instead received only ksh 1,000,000
4. The college exceeded the projected sale of goods by almost doubling the sales.

N/B- Because of the above explanation in return it resulted to low spending leading to under-utilization differences.

1. Reconciliation of Budget and statement of Financial performance

Actual cash income on comparable basis in the
Budget.....ksh10,747,305

Add sale of goods not paid during the
year.....ksh380,000

Total Cash income as per the statement of financial performance.....ksh 11,127,305

19. Notes to the Financial Statements

1. General Information

Riragia TVC was established under the TVET Act 2013 and commenced its operations on 15/07/2020. The entity is domiciled in kegogi approximately 1 kilometre from Kegogi market. The institute is under the Ministry of Education.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Riragia Technical and vocational college accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Riragia 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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying

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Standard	Effective date and impact:
	financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. 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 Riragia TVC.</p> <p>The new standard requires Riragia TVC 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**

- iv. Riragia Technical and vocational college did not early-adopt any new or amended standards in year 2022-2023.

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

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the 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 Board on **04/07/2022**. Subsequently there were no revisions or additional appropriations made to the approved budget. Riragia TVC'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

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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 I of these financial statements.

c) Taxes

Current income tax

There was no income tax to be paid for the year 2022-2023.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Riragia Technical and vocational college currently does not have any investment properties.

e) Property, plant and equipment

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

f) Leases

Riragia Technical and vocational college currently does not have any Finance lease or operating lease.

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.

i) Financial instruments

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

Financial assets

Classification

The 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.

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. Riragia Technical and vocational college don't have any provision that some debtors will not honour their obligation to pay.

Impairment

Riragia 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. Riragia Technical and vocational college did not amortize any of its Assets during the year under review.

Financial liabilities

Classification

Riragia 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.

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 Riragia Technical and vocational college.

k) Provisions

Provisions are recognized when Riragia 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 Riragia 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

Riragia 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

Riragia 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

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one or more uncertain future events not wholly within the control of Riragia Technical and vocational college in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social 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.

m) Nature and purpose of reserves

Riragia creates and maintains reserves in terms of specific requirement.

n) Changes in accounting policies and estimates

Riragia 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

Riragia 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.

p) Foreign currency transactions

Riragia Technical and Vocational College did not have any foreign currency transactions during the year under review.

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.

r) Related parties

Riragia 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.

s) Service concession arrangements

Riragia 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, Riragia 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, Riragia technical and vocational college also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Riragia technical and vocational college financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions

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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 Riragia 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.

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

6. Transfers from other National Government entities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,183,000	4620,000
Operational Grant	1,000,000	1,500,000
Cdf Grants	1,000,000	
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	6,183,000	6,120,000

7. Rendering of Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Tuition Fees	4,471,980	4,119,552
Activity Fees	-	183,784
Examination Fees	648,425	735,646
Facilities And Materials	170,000	-
Development	70,900	-
Total Revenue from The Rendering of Services	5,361,305	5,038,982

8. Sale of Goods

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
	-	-
Sale of Farm Produce(milk)	3,000	-
Sale of chairs - cash	200,000	408,000
-credit (not paid during the year)	380,000	870,000
Total Revenue from Sale of Goods	583,000	1,278,000

(a) The college made sales of milk worth ksh 3,000

(b) The college fabricates chairs under mechanical department which we sold to Kakrao TVC worth ksh 380,000 and Sikri TVC worth ksh 200,000.

9. Other Income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Income from sale of tender	-	98,220
Total other income	-	98,220

10. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Teaching and learning materials	1,596,307	2,289,931
Electricity	95,000	145,500
Advertising	166,650	39,220

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Examination fees	804,990	507,630
Audit fees	-	30,000
Travelling and accommodation	1,961,650	1,039,050
Insurance	-	13,650
Development costs – current account	2,347,082	-
-cdf account	991,001	
Administrative costs	1,147,464	1,612,920
Activity	329,945	130,000
Production	530,980	678,,895
Total good and services	9,971,069	6,486,796

11. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Salaries and wages	3,298,000	2,301,645
Employee related costs - contributions to pensions and medical aids	44,639	-
Employee Costs	3,342,639	2,301,645

12. Board Expenses

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	218,000	421,000
Other Board/Council Expenses	-	-
Total	218,000	421,000

13. Repairs and Maintenance

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Equipment and machinery	-	59,975
Vehicles	-	-
Furniture and fittings	181,480	-
Computers and accessories	8,000	-
Total Repairs and Maintenance	189,480	59,975

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14. Finance Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank charges	15,818	31,068
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	15,818	31,068

15. Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	FY 2022-2023	FY 2021-2022 Restated
		Kshs	Kshs
a) Current Account			
	1268855723	1543533	3,492,238
Kenya Commercial Bank	1279017058	45,236	36,237
Equity Bank, etc.		-	
Sub- Total		1,588,769	3,528,475
Cash in Hand		8,665	58,660
Mobile Money account		-	-
Sub- Total		8,665	58,660
Grand Total		1,597,434	3,587,135

Note:

The cash and cash equivalent balance of prior year has been restated to include Kshs.36,237 that was omitted in the financial statements of 2021/2022

16. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	5,578,973	4,132,489
Total Current Receivables	5,578,973	4,132,489

(b) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	FY 2022-2022	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	4,132,489	3,838,642
Provisions during the year	1,446,484	293,847
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	5,578,973	4,132,489

17. Receivables from Non-Exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	500,000	-
Other Debtors (Non-Exchange Transactions)	380,000	-
Less: Impairment Allowance	-	-
Total Current Receivables	880,000	-

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

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	880,000	100	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	880,000	100	-	-

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

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	880,000	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	880,000	-

18. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Stationery	145,875	-
Fashion and Design	22,635	-
Cleaning Material	22,750	-
Electrical stores	28,050	-
Hardware materials	20,010	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	239,320	-

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19. Property, Plant and Equipment

Cost	Land/buildings		Furniture and fittings	Computers and printers	Plant and equipment	Training machines i.e blowers massage beds	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022 (previous year)	102,363,987		420,000	60,000	200,000,000	-	302,843,987
Additions	-	-		-	-		-
Disposals	-	-	-	-	-		-
Transfers/Adjustments	-	-	-	-	-		-
At 30th June 2022 (previous FY)	102,363,987	-	420,000	60,000	200,000,000	-	302,843,987
Additions	-	-	836,500	-	44,000	323,500	1,204,000
Disposals	-	-	-	-	-		
Transfer/Adjustments	-		-	-	-		
At 30th June 2023 (current year)	102,363,987	-	1,256,500	60,000	200,044,000	323,500	304,047,987
Depreciation And Impairment							
At 1 Jun 2022 (previous year)	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-		-
Disposals	-	-	-	-	-		-
Impairment	-	-	-	-	-		-
At 30 Jun 2022 (previous year)	-	-	-	-	-		-
Depreciation	-	-	-	-	-		-
Disposals	-	-	-	-	-		-
Impairment	-	-	-	-	-		-
Transfer/Adjustment	-	-	-	-	-		-
At 30th Jun 2023 (current year)	-	-	-	-	-		-
Net Book Values							
At 30th Jun 2022 (previous year)	102,363,987	-	420,000	60,000	200,000,000	-	302,843,987
At 30th Jun 2023 (current year)	102,363,987	-	1,256,500	60,000	200,044,000	323,500	304,047,987

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Valuation

Riragia Technical and vocational college has not done valuation, the figures in the financial statements are estimated fair values.

19. 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	2,000,000	-	2,000,000
Buildings	100,363,987	-	100,363,987
Plant And Machinery	200,044,000	-	200,044,000
Training equipment	323,500	-	323,500
Computers and Related Equipment	60,000	-	60,000
Office Equipment, Furniture, And Fittings	1,256,500	-	1,256,500
Total	304,047,987		304,047,987

20. Trade and Other Payables

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Trade payables	2,217,149		31,345	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	2,217,149		31,345	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,217,149	100	31,345	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	2,217,149	100	31,345	100

21. Financial Risk Management

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

Riragia TVC's financial risk management objectives and policies to be used in the next financial years are detailed below:

(i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Trade Payables	-	31,345	-	31,345
Total	-	31,345	-	31,345
At 30 June 2023 (current year)				
Trade Payables	-	2,217,149	-	2,217,149
Current Portion Of Borrowings	-	-	-	-
Total		2,248,494	-	2,248,494

(iii) Market risk

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

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

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

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

a) Foreign currency risk

- b) Riragia Technical and vocational college only transacts in Kenya shillings.

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

Riragia Technical and vocational college currently does not have any fixed bank deposits with an aim of earning profit.

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

The objective of the Riragia TVC's capital risk management is to safeguard Riragia TVC's ability

22. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

23. Events After The Reporting Period

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

24. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Revenue from Rendering of Services	Ledger schedules to be written immediately when funds are received	Resolved	-
2.(2.1)	Land and Building Without Ownership Documents and Value	The management propose that the college should always get in touch with kisii law courts to finalize the case so as to acquire land title did.	Not resolved	30/06/2024.
2.(2.2)	Unconfirmed Value of Assets Donated by the Ministry of Education	The management of Riragia TVC has already written to Keroka Technical training college as the mentor institution, to allow handing over taking documents.	Not Resolved	30/06/2024.
3.	Accuracy of the statement of comparison of Budget	The management suggested that accuracy should be adhered to at all times when financial	Resolved	-

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and Actual amounts	statements are prepared.		
Other Matters;				
1.	Budgetary Control and Performance	-The management proposed that the college should look for other ways of generating income to subsidize income as fees from students. -The management is looking forward to ratify fees collection policies to minimize account receivables as fees from trainees.	Partially Resolved	30/06/2024
2.	Unresolved Prior year Matters	The management suggested that all the issues raised should be attended to.	Resolved	-
Report on lawfulness on use of public resources;				
1.	Non- compliance with	In the future salaries for Board	Not Resolved	30/06/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the law on Ethnic Diversity in Staffing	Employees should be reviewed upwards so as to accommodate workers from other communities who may wish to work in Riragia TVC as this was discovered as the main challenge		
2.	Failure to Deduct and Remit Statutory Deductions	The College as already started paying NSSF deductions pending constant cashflow and initiate NHIF deductions	Partially Resolved	30/06/2024
Report on internal controls, risk management and governance;				
1.	Non-Tagging of Assets	The management advised that procurement officer and stores in charge start tagging all assets immediately	Resolved	-
2.	Lack of Internal Audit Function	The management proposed that the college should employ internal Auditor immediately when there is constant cash flow	Not resolved	30/06/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Lack of Documented Risk Management Policy	The Board secretary has already drafted college policies only pending ratification.	Not Resolved	30/06/2024
4.	Non-functional Audit Committee	The Board has already appointed Audit committee members	Resolved	-
5.	Lack of Continuity in the Affairs of the Board of Governors	The Board appointment was slightly delayed by the ministry but this was resolved afterwards	Resolved	-

Guidance Notes:

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

.....
Resol.....

Name: RIRAGIA T.T.J
 Accounting Officer
 P.O. BOX 1809-40200 KISHU
 (Enter title of Head of entity)
 Date

PRINCIPAL
 SIGN: *Resol*

Riragia Technical And Vocational College
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Appendix II: Projects Implemented by Riragia TVC.

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)
College kitchen	RTVC/PRO/23	NGCDF	4 Months	To do an extension hall later	No	Yes

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	College kitchen Ksh 5,000,000	Ksh 991,001	19.8	5,000,000	991,001	NGCDF
2	-	-	-	-	-	-

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Appendix III- Inter-Entity Confirmation Letter



RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE

P.O. Box 1809-40200

KISII

riragiatti@gmail.com



Riragia Technical and Vocational College
 P.O BOX
 1809-kisii.

The Kitutu Chache North NGCDF wishes to confirm the amounts disbursed to you as at 30th June 2023 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 20xx				
		Amounts Disbursed by Kitutu Chache North NGCDF (Kshs 1,000,000) as at 30th June 2023	Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)

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Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
RTVC/PRO/23		-	1,000,000	-	1,000,000	0
Total			<u>1,000,000</u>	=	<u>1,000,000</u>	1,000,000

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

Head of Accountants department of beneficiary Entity:

Name Peterson Ogwara Sign *Peterson Ogwara*