

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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DATE: 29 MAY 2025

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Thursday

REPORT

TABLED
BY:

Hani Bayaa Farah
Deputy Leader of Opposition

CLERK-AT
THE-TABLE:

Hakims Ahmed

OF

THE AUDITOR-GENERAL

ON

**TANA RIVER TECHNICAL
AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**

TANA RIVER COUNTY

PARLIAMENT
OF KENYA
LIBRARY





MINISTRY OF EDUCATION, STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

TANA RIVER TECHNICAL & VOCATIONAL COLLEGE

Appropriate Skills and Knowledge for Development



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

TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

OFFICE OF THE AUDITOR GENERAL
P.O. BOX 30541, COLO, NAIROBI
MINISTRY
31 DEC 2024
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TANA RIVER TECHNICAL
& VOCATIONAL COLLEGE
23 DEC 2024
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Financial Statements Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

MSB 210 01



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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Tana River Technical and Vocational College is one of the TVET infrastructural program that was constructed in the Country (phase 60/70) classified as TTI's for COUNTIES WITH NONE. The Construction project commenced on **July 2014** and was expected to complete on **4th Sep 2016**. The contract period was later extended to **25th June 2019**. The project was officially completed on **July, 2019** and issuance of completion certificate on **21st August, 2019** and handing over to the mentoring institution on **Nov 2019** by the contractor.

The college is located in Hola Town, Galole Constituency, Tana River County. It is situated 10 km from the Hola town. The college sits on a large parcel of land (12.14 Ha). The college is quite far from town with no human settlements around. The college is managed by a Board of Governor appointed by the Ministry of Education and run on a day-to-day basis by a principal who is appointed under the State Department for Vocational and Technical Training

The Principal was posted and reported on **5th Feb 2020**. The mentoring institution officially handed it over to the principal on **26th February 2020**.

The college opened its door for admission 1st September 2021.

The college has been duly registered under number BN-BGCXYRE in accordance with the registration of business name.

The college is registered with TVET Authority Registration Number ***TVETA/PUBLIC/TVC/0007/2021***

(b) Principal Activities

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

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

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

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal/Secretary to BOG	Mohamed Adan Sora
2.	Deputy Principal	Wandeto Francis Ndirangu
4.	Ag. Registrar	Mairi Simon Kaluku
5.	Ag. Dean of Students	Ngumbao Fundi

(e) Entity Headquarters

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

(f) Entity Contacts

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

(g) Entity Bankers

1. Kenya Commercial Bank
Garissa Branch
P.O. Box 143
Garissa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112





City Square 00200
 Nairobi, Kenya

II. THE BOARD OF GOVERNORS MEMBERS

<p>– Board Chairman</p>  <p>MR. ANANIA KARHAYU DEYE</p>	<p>Mr. Anania Karhayu Deye, born in 1962, has a distinguished career in medical education and healthcare in Kenya. He holds a Master of Medical Education from Dundee University, a Higher Diploma in Medical Education, and a Diploma in Pharmacy. He has served as a lecturer and principal at the Kenya Medical Training College (KMTC), and has held roles as a County Transition Coordinator, volunteer consultant, and Pharmaceutical Coordinator. Additionally, he is a Board Chairman. His contributions highlight his commitment to education, community service, and healthcare development.</p>
<p>Board Member</p>  <p>MR. ABDIKADIR SIRAD MADHOWE</p>	<p>Mr. Abdikadir Sirad Madhowe, born on January 10, 1990, has a Master's in Project Planning and a Bachelor's in Business Administration. He has led environmental, social, and economic impact assessments for the Lamu-Lokichar Crude Oil Pipeline and served as County Chief Officer for Trade, Tourism, and Industry, and for Culture, Gender, and Social Services in Tana River County. His roles reflect his dedication to community service, economic development, and governance.</p>
<p>– Board Member</p>  <p>MR. CPA HENRY D. MIEN</p>	<p>Mr. CPA Henry D. Mien, born on September 6, 1975, holds a Master of Business Administration from Strathmore Business School and a Bachelor of Commerce in Accounting from Daystar University. He became a Certified Public Accountant in 1999. He is a member of the Institute of Certified Public Accountants of Kenya, the Institute of Internal Auditors, and an Associate Member of the Certified Fraud Examiners. His extensive expertise in accounting, auditing, and fraud examination is reflected in his role as a Board Member.</p>

<p>Board Member</p>  <p>MR. WILLIAM SOYE JILLO</p>	<p>Mr. William Soye Jillo, born on July 18, 1991, holds a Bachelor of Science in Soil, Water, and Environmental Engineering from Jomo Kenyatta University of Agriculture and Technology. He serves as a County Irrigation Engineer in Tana River County and is a Registered Graduate Engineer with the Engineers Board of Kenya (EBK), registration number B18737. Additionally, he is an Associate Expert with the National Environment Management Authority (NEMA), registration number 11753. Mr. Jillo is also a member of the Institute of Engineers of Kenya (IEK) and the Environmental Institute of Kenya (EIK).</p>
<p>- Board Member</p>  <p>MR. FELIX KADZITU MUMBA</p>	<p>Mr. Felix Kadzitu Mumba, born in 1976, holds a Master of Science in Civil Engineering with a specialization in Water, and a Bachelor of Science in Civil Engineering. He has served as the County Director of Water and Deputy County Director of Water in Tana River County. His extensive expertise in civil engineering and water management is reflected in his leadership roles and contributions to the county's water infrastructure. He also serves as a Board Member.</p>
<p>Board Member</p>  <p>MR, ABDI YUSSUF OMAR</p>	<p>Mr. Abdi Yussuf Omar, born in 1977, holds a Bachelor of Science in Information Science from Mount Kenya University (MKU) and a Higher National Diploma in Human Resource. He has served as a Records Officer and a Human Resource Officer at Garissa University. His diverse expertise in information science and human resource management is reflected in his roles and contributions to the university. He also serves as a Board Member.</p>
 <p>MR MOHAMED ADAN SORA (Principal)</p>	<p>Mr. Mohamed Adan Sora, born in 1983, is the Principal of Tana River Technical and Vocational College and serves as the Secretary to the Board of Governors. He is currently pursuing a Master's Degree in Business Administration (MIS) at Kenyatta University and holds a Bachelor's Degree in Business IT from Mount Kenya University. His leadership role and ongoing academic pursuits highlight his commitment to education and professional development.</p>

III. MANAGEMENT TEAM

<p>Mohamed Adan Sora</p>		<p>The Principal/Secretary to the Board of Governors</p>
<p>Wandeto Francis Ndirangu</p>		<p>Deputy Principal</p>
<p>Mairi Simon Kaluku</p>		<p>Ag. Registrar</p>
<p>Ngumbao Fundi</p>		<p>Ag. Dean Of Students</p>

IV. CHAIRMAN'S STATEMENT

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

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

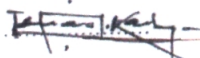
During the year under review, the college management has carried out an aggressive popularity campaign in Tana River County and its environs. Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the institution from within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

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

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

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

Anania Karhayu Deye



Chairman/Board of Governors

V. Report of the Principal

Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the college's Annual report and financial statements for the period ended 30 June 2022. The report focuses on the College's Strategic intent included in the strategic plan which the college is in the process of developing. It includes Curriculum implementation and development, Facilities & infrastructure development, Human resource development, Enrollment and tracer studies, Resource mobilization, Linkages, partnerships and networking, Governance, Student welfare, Research, innovation and development, ICT integration and Education for sustainable development.

The above strategic issues are part of broad initiatives undertaken by the College planning system to impart relevance to current National TVET reforms. This defines the college's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET education. This report is premised on involvement on account of analysis of goals, strategic issues, strategic objectives, strategies and activities that the college intends to pursue in the next three years. The mandate of the Board of Governors among other things is to provide apex management towards achieving the college mandate as per the TVET Act 2013.

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

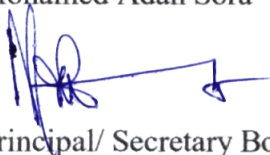
Challenges

The college emphasizes on the need for adequate staffing for the effective education in all departments. All the departments do not have sufficient staff to handle the trainees. Shortage of trainers is therefore one of the challenges facing the college. In order to alleviate the shortage, the college has been hiring BOG trainers to train the trainees. The staff are paid by the college from its meagre resources. During the 2021/2022 financial year, the college maintained 6 trainers under the Board but the number is likely to increase due to our increased programs.

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

Continuous dynamism in the ICT sector requires the Internet Connectivity. The college also requires the Management Information Systems to Enhance student admissions, fees processing, payments and examinations registration.

Mohamed Adan Sora



Principal/ Secretary Board of Governors

VI. Statement of Performance against Predetermined Objectives

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

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

The Institution achieved its performance targets set for the financial year 2020/21 period for its eight strategic pillars as indicated in the diagram below.

STRATEGIC ISSUE 1: CURRICULUM IMPLEMENTATION & DEVELOPMENT	STRATEGIC OBJECTIVES	STRATEGIES	ACTIVITIES	TARGET OUTPUT	PERFORMANCE INDICATORS
	OBJECTIVE 1 : To implement and design market oriented and demand-driven programmes	Adopt, and implement existing courses	<ol style="list-style-type: none"> 1. Acquire approved course syllabi 2. Obtain accreditation and licensing from relevant legal and regulatory bodies 3. Implement course content 4. Promote flexible and blended learning 5. Introduce virtual learning 	<ol style="list-style-type: none"> 1. At least one designed market driven course implemented in each academic department. 2. Demand driven courses by government regulatory bodies offered 	<ol style="list-style-type: none"> 1. Number of courses offered 2. No. of accredited and licensed courses

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

TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

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

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

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

<p>STRATEGIC ISSUE 11: EDUCATION FOR SUSTAINABLE DEVELOPMENT</p>	<p>Managing the Campus to strengthen operational sustainability mechanisms.</p>	<p>Greening the campus</p>	<p>1: Identify spaces or activities that contribute to deterioration/unsustainable use 2: Determine ways to transform spaces into „green spaces” or activities into „green practices” 3: Develop a sustainability plan for newly created green spaces and practices 4: Deploy materials and services that help maintain these green spaces and practices 5: Develop a monitoring and assessment scheme to measure improvements</p>	<p>1. Each department asked to incorporate and report on sustainable practices in their sites 2. Green spaces are created and maintained to combine the purpose of education, research, leisure and aesthetics.</p>	<p>1. Reports on sustainability practices 2. No. of „green” spaces created and maintained</p>
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VII. Corporate Governance Statement

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

The core mandate of the institution is training as well as carrying out research activities. This entails imparting CBET skills, attitude and knowledge to the trainees. There are Four (4) departments and basically engineering courses collectively form our centre of excellence including Agriculture, Electrical and Electronics Engineering, Information Communication Technology, Business studies, Community development and Secretarial departments.

The current student population by the close of the year under review stood at stand at 68 Students. We have always endeavoured to ensure that we hit the 200 mark but this has been a challenge. The total staff population is about 10 trainers, both the PSC employees together with these on contract.

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

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

VIII. Management Discussion and Analysis

The College's operational and financial performance

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

Challenges

- Inadequate physical facilities in the college such as student hostels are some of the challenges relating to low enrolment.
- The college is understaffed. The college incurred a lot of cost during the financial year
- The college is yet to receive the training equipment.
- The college is yet to be fenced, hence security concern both for the students and the staffs.
- Hardship related issues hinder capacity growth of our staff and this results to low staff moral and little or no income generating activities to generate more income to the institution.
- The operational grant money received from the ministry is very little to meet the demands of the college

College's compliance with statutory requirements

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

Key projects and investment decisions the College is planning/implementing

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

Major risks facing the College

Operational risks in the college include

- Financial management and financial record keeping, College intends to Employ a finance officer and procure College management systems which will integrate all the operation of the college.
- None payment of fees by students, the college is engaging partners to address the need.

Material areas in statutory/financial obligations

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

The College's financial probity and serious governance issues

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

IX. Environmental and Sustainability Reporting Statement

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

1. Sustainability strategy and profile -

The core mandate of the Institution is training as well as carrying out research activities. This entails imparting CBET skills, attitude and knowledge to the trainees. There are Four (4) departments and basically engineering courses collectively form our centre for excellence including Electrical and Electronics, Agriculture, Information Communication Technology, Business Studies, Community development and Secretarial Departments.

2. Environmental performance

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

3. Employee welfare

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

4. Market place practices-

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

5. Community Engagements-

The college is yet to engage in corporate social responsibility.

X. Report of the Board of Governors

The Board members submit their report together for the year ended June 30, 2022 which show the state of the college's affairs.

Principal activities

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

Results

The results of the College for the year ended June 30 2022 are set out on page 1 to page 37

BOARD

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

Auditors

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



Mohamed Adan Sora
Principal/Secretary to BOG

XI. Statement of Board's Responsibilities

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

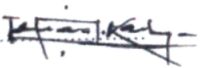
The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2021, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

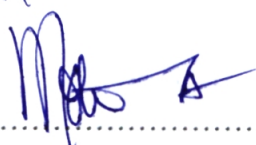
The College's financial statements were signed on 23/6/2022 on behalf of the Board of Governors by:

Name Kerhayu Anania Deye

Signature 

Chairperson of the Board

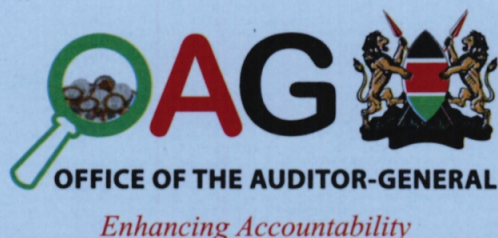
Name Meliana Adana

Signature 

Principal

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022 - TANA RIVER COUNTY

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 the Lawfulness and Effectiveness in 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the 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

The accompanying financial statements of Tana River Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Arthur Consulting 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tana River Technical and Vocational College at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The audit of the financial statements revealed the following inaccuracies:

- i. The statement of financial performance reflects employees' costs of Kshs.577,500 as disclosed in Note 9 to the financial statements. However, the accuracy, existence, and correctness of this amount could not be confirmed because the Institution did not maintain a payroll.
- ii. The statement of comparison of budget and actual amounts reflects Kshs.Nil actual balances while the statement of financial performance reflects revenue of Kshs.3,090,370 and total expenditure of Kshs.5,852,780 resulting to a variance of similar amounts.
- iii. The statement of cashflows and Note 12 relates to repairs and maintenance of Kshs.1,200. However, review of the Notes revealed that there was Kshs.Nil amounts for repairs and maintenance.
- iv. The statement of cashflows indicates that cash and cash equivalent was Note 17. However, review of the Notes revealed that cash and cash equivalent is Note 14
- v. The following errors were noted in the financial statement as tabulated below: -

Particulars	Description	Financial Statement Amount (Kshs.)	Re-Casted Amounts (Kshs.)	Variance (Kshs.)
Statement of financial performance	Total revenue	3,090,090	2,673,090	417,000
	Net Surplus for the year	2,762,410	3,179,690	(417,280)
Statement of financial position	Non-current assets	3,166,283	2,749,003	417,280

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

2. Unsupported Assets

The statements of financial position reflect property, plant and equipment balance of Kshs.86,850,939 as disclosed in Note 17 to the financial statements. However, the assets purchased during the year, including computers and related equipment, office equipment, furniture and fittings, motor vehicles, and motorcycles, totaling Kshs.90,544,397, were not supported by appropriate documentation such as invoices, receipts, or purchase agreements. In addition, there are no brought forward amounts for property, plant and equipment.

In the circumstances, the validity and completeness of the property, plant and equipment balance of Kshs.86,850,939 could not be confirmed.

3. Unsupported Payment on Use of Goods and Services

The statement of financial performance reflects payments of use of goods and services of Kshs.1,581,822 out of which Kshs.484,750 relates to travelling and accommodation and capacity building which was not supported with essential documentation, including invoices, delivery notes, goods received notes, and payment approvals.

In the circumstances, the validity and propriety of the payment of Kshs.484,750 could not be confirmed.

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page ii to xviii. which comprise of institute Information and Overall Performance, Environmental and Sustainability Reporting, Statement of institute Management Responsibilities, Statement of Performance against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute 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.

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

Basis for Conclusion

1. Failure to Remit Statutory Deductions

The financial statements reflect employees cost of Kshs.577,500. However, the management did not provide any supporting documentation to verify the filing and remittance of statutory deductions. This is contrary to the requirements of Income Tax Act, National Social Security Fund Act and the National Hospital Insurance Fund Act. Failure to comply with the remittance requirements may lead to penalties.

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

2. Late Submission of the Financial Statements for Audit

The financial statements for the year ended 30 June, 2022 were submitted for audit on 05 October, 2022, which was five (5) days after the statutory deadline of 30 September, 2022. This delay is in contradiction to Section 47(1) of the Public Audit Act, 2015, which stipulates that the financial statements required under the Constitution, the Public Finance Management Act, 2012, and other relevant legislation, must be submitted to the Auditor-General within three (3) months after the end of the fiscal year.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Segregation of Duties

The Institution had not established internal controls to oversee procurement-related activities including, authorizing payments and managing cash withdrawals. All cash withdrawals for the payment of goods and/or services are made in the accounting officers name, with no established controls to monitor the handling or utilization of these funds. This is contrary to Section 66(1) of the Public Financial Management Act (PFMA), which requires, the accounting officer to ensure that internal controls are in place to safeguard public funds, which includes proper segregation of duties.

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

2. Lack of Key Departments

The Institution had not established key departments, such as procurement, finance, and human resources, which could effectively allocate roles and ensure responsibilities were

properly taken up. This is contrary to the Public Financial Management Act (PFMA), Section 66(1) which requires that, "Entities must ensure that internal controls, including segregation of duties, are in place to protect public resources, ensure the accuracy of financial reporting, and minimize the risk of fraud or errors." And the — International Public Sector Accounting Standards (IPSAS 1: Presentation of Financial Statements).

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

3. Lack of Robust Accounting System

The Institution did not have a robust accounting system, leading to manual recording of transactions, which resulted in inaccuracies and raised concerns about the competency of the institution's accounting practices. This is contrary to, Section 68(1) of the Public Financial Management Act (PFMA) which mandates that public entities must ensure their accounting systems are robust, integrated, and capable of generating accurate, timely, and reliable financial reports.

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

4. Lack of Key Management Policies

The Institution lacks established policies and regulations, including key policies such as the finance policy, procurement policy, human resource policy, risk management policy and the board charter. Additionally, essential policies for an Institution, such as the student admission policy, academic policy and others, have been developed but yet to be approved. This is contrary to the Public Finance Management Act (PFMA) Section 66(1) and International Public Sector Accounting Standards (IPSAS 1), Presentation of Financial Statements.

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

5. Lack of Internal Audit Department and Committee

It was observed that the Institution did not have a dedicated Internal Audit Department, which resulted in the absence of a formal system to regularly assess internal controls, risk management practices, and operational efficiency. This is contrary to Section 73 of the Public Finance Management Act, 2012, which requires a National Government entity to maintain internal auditing arrangements.

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

6. Lack of Fixed Assets Register

The organization did not have an updated fixed asset register, and as such, essential details, including the date of acquisition, serial numbers, asset descriptions, location, user, cost, individual depreciation, and net book values, were not available.

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

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 February, 2025


TANA RIVER TECHNICAL AND VOCATIONAL TRAINING COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

XIII. Statement of Financial Performance for the year ended 30 June 2022

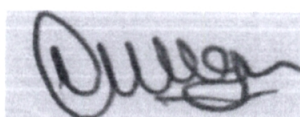
Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,867,500	-
Revenue from Non-Exchange transactions			-
Revenue from Exchange transactions			
Rendering of services- fees from students	7	805,590	-
Revenue from Exchange transactions		3,090,370	-
Total Revenue			-
Expenses			
Use of goods and services	8	1,581,822	-
Employee costs	9	577,500	-
Board Expenses	10		-
Depreciation and amortization expense	11	3,693,458	-
Total Expenses		5,852,780	-
Net surplus for the year		(2,762,410)	-

(The notes set out on pages 7 to 37 form an integral part of the Annual Financial Statements).

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



.....
Chairman of Board/Board



.....
Finance Officer

ICPAK No



.....
Principal

Date 23/12/2024

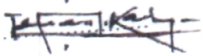
Date 23-12-24

Date 23/12/2024

XIV. Statement of Financial Position as at 30th June 2022

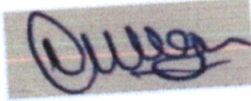
Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Assets			
Current Assets	14	75,913	-
Cash and cash equivalents	15	805,590	-
Current portion of receivables from exchange transactions		1,867,500	-
Receivables from non-exchange transactions	16	3,166,283	-
Inventories			
Total current assets			
Non-Current Assets	17	86,850,939	-
Property, plant, and equipment		90,017,222	-
Total Assets			
Liabilities			
Current Liabilities	19	-	-
Trade and other payables from exchange transactions		-	-
Non-Current Liabilities	20	-	-
Borrowings			
Total Liabilities		90,017,222	-
Net Assets		(2,762,410)	-
Accumulated surplus		87,254,812	-
Capital Fund		90,017,222	-
Total Net Assets and Liabilities			

The Financial Statements set out on pages 1 to 7 were signed by:



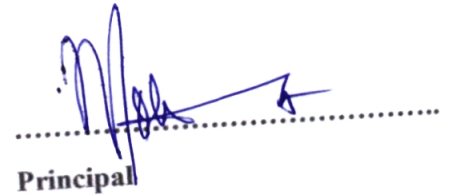
.....
Chairman of Board/Board

Date **23-12-24**



.....
Finance Officer
ICPAK No. 1242

Date **23-12-24**



.....
Principal

Date **28/12/2024**

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	-		-	-
Revaluation gain	-		-	-
Total comprehensive income	-		-	-
Capital/development grants received during the year	-		-	-
Transfer of depreciation/amortisation from capital fund	-		-	-
Prior year adjustment			-	-
At June 30, 2021	-		-	-
At July 1, 2021	-		-	-
Revaluation gain	-		-	-
Fair value adjustment on quoted investments	-		-	-
Total comprehensive income	-	(3,179,690)	-	(3,179,690)
Capital/development grants received during the year	-		86,420,252	86,420,252
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		-	-
Prior year adjustment				
At June 30, 2022	-	(3,179,690)	86,420,252	83,240,562

XVI. Statement of Cash Flows for the year ended 30 June 2022

Description		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	1,867,500	-
Rendering of services- fees from students	7	1,222,870	-
Total Receipts		3,090,370	-
Payments			
Use of goods and services	8	1,581,822	-
Compensation of Employee costs	9	577,500	-
Board expenses	10		-
Repairs and Maintenance	12	1,200	-
Total Payments		2,160,500	-
Net Cash Flows from operating activities			-
Cash flows from investing activities			
Purchase of Equipment (computers)	21	(125,000)	-
Net cash flows used in investing activities			-
Cash flows from financing activities			
Proceeds From Borrowing	23	-	-
Repayment Of Borrowings	23	-	-
Net cash flows used in financing activities			-
Net Increase/(Decrease) in Cash and Cash equivalents			-
Cash and Cash equivalents at 1 JULY 2021	17	292,135	-
Cash and Cash equivalents at 30 JUNE 2022	17	75,913	-

.....
Chairman of Board/Board

.....
Finance Officer

ICPAK No 12425

.....
Principal

Date

23/12/24

Date

23-12-24

Date

23/12/2024

TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Capitation grants	1,867,500	-	1,867,500			
Rendering of services- fees from students	1,222,870		1,222,870		-	0%
Total Income	3,090,370	-	3,090,370			
Expenses						
Compensation of employees	577,500	-	577,500		-	0%
Use of goods and services	1,581,822	-	1,581,822		-	0%
Board Expenses		-			-	0%
Repairs and maintenance	1,200	-	1,200			
Total Expenditure	2,160,522	-	2,160,522			
Surplus For the Period	512,568	-				

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
 - a) The capitation grant for the 4th quarter was never disbursed.

XVIII. Notes to the Financial Statements

1. General Information

Tana River TVC is established by and derives its authority and accountability from the TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is providing training 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 *entity's* 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 Note xx.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

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 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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.

TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2022

Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>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> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 202
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Tana River Technical and Vocational College did not early-adopt any new or amended standards in year 2022.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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 2021/2022 was approved by the Board or Board on **20th January 2020**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a 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.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **XIII** of the **Income Tax Act, Cap 470..**

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 2 years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The

Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

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

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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

Inventories

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 the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources

embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all

participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

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

o) Borrowing costs

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

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance

p) Related parties

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

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) 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, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	867,500	-
		-
Conditional Grants		
Recurrent Grants	1,000,000	-
Total Government Grants and Subsidies	1,867,500	-

7. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursaries	219,000	-
Tuition Fees	586,590	-
Total Revenue from The Rendering Of Services	805,590	-

8. Use Of Goods and Services

Description	2021-2022	2020-2021
Electricity, Water and Conservancy	146,200	-
Travelling and accommodation and capacity building	484,750	-
Utilities and supplies	950,872	-
Total good and services	1,581,822	-

9. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	577,500	-
Employee Costs	577,500	-

10. Board Expenses

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Description	2021-2022	2020-2021
	Kshs	Kshs
Governing Board Sitting Allowances		-
Total		-

11. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	3,693,458	-
Total depreciation and amortization	3,693,458	-

12. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Motor vehicles and machinery	-	-
Total Repairs and Maintenance	-	-

13. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

14. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	75,913	-
Total Cash and Cash Equivalents	75,913	-

(a). Detailed Analysis of Cash and Cash equivalents

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1284649210	75,913	-
Sub- Total			-
b) Others			
Cash in Hand		-	-
Sub- Total		-	-
Grand Total		75,913	-

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	805,590	-
Less: Impairment Allowance	-	-
Total Current Receivables	805,590	-

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	(-)	-
Write offs during the year	(-)	-
At the end of the year	-	-

Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		

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Recurrent Grants*	1,867,500	-
Staff advances	-	-
Total Current Receivables	1,867,500	-

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

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-)
At the end of the year	-	-

16. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores		-
Total Inventories at lower of Cost and Net Realizable Value		-

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17. (a) Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2020	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
At 30th June 2021	-	-	-	-	-	-
Additions	20,000,000	69,019,507	100,000	1,299,890	125,000	90,544,397
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
At 30th June 2022	20,000,000	69,019,507	100,000	1,299,890	125,000	90,544,397
Depreciation And Impairment						
At 1 July 2020	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
At 30 June 2021	-	5%	10%	15%	30%	
Depreciation	-	3,450,975	10,000	194,983	37,500	3,693,458
Disposals	-	-	-	-	-	-
At 30th June 2022	-					
Net Book Values						
At 30th June 2021	-	-	-	-	-	-
At 30th June 2022	20,000,000	65,568,532	90,000	1,104,907	87,500	86,850,939

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on 1/07/2020.

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20 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	20,000,000	-	20,000,000
Buildings	69,019,507	3,450,975	65,568,532
Motor Vehicles including Motorcycles	100,000	10,000	90,000
Computers and Related Equipment	125,000	37,500	87,500
Office Equipment, Furniture, And Fittings	1,299,890	194,983	1,104,907
Total	90,544,397	3,693,458	86,850,939

18. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	-	-
Total Trade and Other Payables	-	-
Balance at end of the year	-	-

19. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax	-	-
Adjusted for:		
Depreciation	3,693,458	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory		-
Increase in Receivables	1,581,822	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	5,275,280	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

20. Financial Risk Management

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

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

(i) Credit risk

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

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the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	1,222,870			-
Receivables from non-exchange transactions	1,867,500			-
Bank balances	75,913			-
Total	3,166,283			-
At 30 June 2022				

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

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

(ii) Liquidity risk management

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

Notes to the Financial Statements (Continued)

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.

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

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

a) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

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

21. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

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Description	2021-2022	2020-2021
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	1,000,000	-
Total	1,000,000	-
b) Key Management Compensation		
Directors' emoluments		-
Compensation to Key Management		-
Total		-

22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

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

24. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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Appendix II:
- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION, STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

TANA RIVER TECHNICAL & VOCATIONAL COLLEGE

Appropriate Skills and Knowledge for Development

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



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

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

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by State Department for Technical and Vocational Training (Kshs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		1,000,000	-	-	1,000,000	1,000,000	-
		867,500	-	-	867,500	867,500	-
						-	-
						-	-
						-	-
						-	-

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

Head of Accountants department of beneficiary Entity:

Name Mohamed Aden Sir Sign [Signature] Date 23/12/2022

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Appendix IV: Reporting of Climate Relevant Expenditures

TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE

Telephone Number: **0703386688**

Email Address: **tanarivertvc@gmail.com**

Name of Principal: **Mohamed Adan Sora**

Name and contact details of contact person (in case of any clarifications) ...Mohamed Adan...0720481248

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	-	-	-	-	-	N/A

There was no expenditure in relation to climate change.

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Appendix V: Disaster Expenditure Reporting Template

Date:						
Entity TANA RIVER TECHNICAL AND VOCATIONAL COLLEGE						
Period to which this report refers (FY)	Year			Quarter		
	2021/2022			N/A		
Name of Reporting Officer	VINCENT OHANA					
Contact details of the reporting officer:	Email			Telephone		
	ohanavincent@gmail.com			0721694023		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	-	-	-

There was no expenditure related to Disaster in the FY 2021/2022



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