REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

RIAMO TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE,2023

MINISTRY OF EDUCATION

STATE DEPARTMENT FOR TECHNICALVOCATIONAL AND TECHNICAL TRAINING.
RIAMO TECHNICAL AND VOCATIONAL COLLEGE
P.O BOX 2656-40200 KISII.
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RIAMO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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

Table of Contents

1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

AIE	Authority to Incur Expenditure
BPS	Budget Policy Statement
GC	Governing Council
EFT	Electronic Funds Transfer
FO	Finance Officer
GL	General Ledger
GOK	Government of Kenya
GRN	Goods Received Notes
HODs	Head of Departments
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IMS	Integrated Management System
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
JV	Journal Voucher
KNADS	Kenya National Archives and Documentation Services
LPO	Local Purchase Order
LSO	Local Service Orders
MOE	Ministry of Education
MTEF	Medium Term Expenditure Framework
RTVC	Riamo Technical and Vocational College
OAG	Office of the Auditor General
PSASB	Public Sector Accounting Standards Board
PFM	Public Finance Management

2. Key Entity Information and Management

(a) Background information

Riamo Technical and Vocational College was founded in January 2021 as a public Technical and Vocational College on 7 acres of land under the sponsorship of the Ministry of Education. The institution was mentored by The Kisii National Polytechnic. The college started off with ICT and Agriculture value addition trainees. Since then more courses have been introduced at artisan, craft and diploma levels.

The operations of RVTC is governed by the Education Act, 2013, Technical and Vocational Education and Training Act 2013 and TVET Regulations, 2015

(b) Principal Activities

The principal activity/mission/ mandate of the RTVC is to be a centre of excellence in provision of quality technical skills, knowledge, research and innovation. Increase the enrolment of the students and provide a conducive environment for learning and training.

Vision

To be a world class college for technical and vocational skills development.

Mission Statement

To develop highly qualified, globally competitive and resourceful graduates by providing quality Training and Entrepreneurial skills that are responsive to market demands.

Core Values

The Riamo Technical and Vocational College is committed to and will be identified by the following core values:

i. Excellence.
ii. Integrity.
iii. Professionalism
iv. Creativity.
v. Team work.
vi. Accountability and transparency.

(c) Key Management

The Riamo TVC day-to-day management is under the following key organs:

(i) Board of Governors

(ii) Principal/Secretary of the Board of Governors

(iii)Management

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	**NICODEMUS MIRIOBA**
2	Deputy principal	**PAUL MOTONU**
3	Ag Registrar	**JACQUILYNE OMOSA**
4	Ag Dean of students	**ELIZABETH ODHIAMBO**
6	Ag Accountant	**HELLEN OMAORO**

(e) Fiduciary Oversight Arrangements

Finance, Audit & General Purposes committee activities

The Committee exercises all the powers of BOG in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG.

Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

i. To implement and monitor the proposed projects.
ii. To receive reports from the Principal and the Finance Officer.
iii. To monitor implementation of the objectives of the Institute.
iv. To monitor and facilitate the day-to day running of the institute
v. To ensure proper safeguarding of the Institute's assets.
vi. To ensure the proper financial evaluation and control of projects.
vii. To make recommendations to BOG on the projects to be commenced on order of priority

Riamo TVC Headquarters
P.O Box 2656-40200
Kisii.
Off-Kisii-Kilgoris Road
Sengera –Bosoti Location
Kenya

Riamo TVC Contacts
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E-mail: riamotvc@gmail com
Website: www.riamotvc.ac.ke

Riamo TVC Bankers
Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks
Co-operative Bank
Branch· Kisii

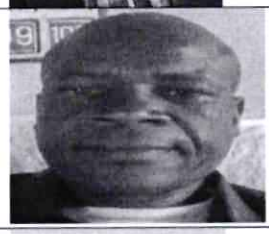
Independent Auditors
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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

3. The Board of Governors

SN.	Photo	Member/ Director	Details
1		CAROLYNE N.ONCHWARI CHAIRPERSON	**Date of Birth:** 12/12/1976. **Qualification:** BSC(Information Science) **Experience:** 4 years
2		EDDAH C. CHERUIYOT(MEMBER)	**Date of Birth:** 27/09/1981 **Qualification:** Masters Of Management And Leadership **Experience:** 11 years
3		IBRAHIM M. ONGERI(MEMBER)	**Date Of Birth:** 11/6/1979 **Qualification:** BSC Survey **Experience:** 12 years
4		DANCAN A. AERO(MEMBER)	**Date Of Birth:** 4/10/1996 **Qualification:** BBIT **Experience:** 2 years
5		HARRIET S. KAMONYE(MEMBER)	**Date of Birth:**21/07/1984 **Qualification:** BED (Early Childhood) **Experience:** 8 years
6		TOM OLANGO(MEMBER)	**Date Of Birth:** 10/03/1972 **Qualification:** MSC (Human Resource) **Experience:** 6 years
7		NICODEMUS MIRIOBA(SECRETARY)	**Date Of Birth:** 01/01/1978 **Qualification:** SC(Aged) **Experience:** 16 years

4. Key Management Team

S N.	Photo	Member	Details
1.		NICODEMUS MIRIOBA	**Designation:** Principal **Date Of Birth:** 01/01/1978 **Qualification:** BSC(Aged) **Experience:** 16 years
2.		PAUL MOTONU	**Designation:** D/Principal **Date Of Birth:** 18/05/1964 **Qualification:** BED **Experience:** 32 years
3.		JACQUILYNE OMOSA	**Designation:** Registrar **Date of Birth:** 11/12/1981 **Qualification:** BSC (Information Communication Technology) **Experience:**11 Years
4.		ELIZABETH ODHIAMBO	**Designation:** Dean of Students **Date of Birth:** 31/12/1978 **Qualification:** Bachelor of Science in Agricultural Engineering **Experience:** 16 Years
5.		HELLEN OMAORO	**Designation:** Accountant **Date of Birth:** 2/06/1981 **Qualification:** Higher Diploma in Entrepreneurship Development **Experience:** 12 Years

5. Chairperson's Statement

It's my pleasure to present to you the financial statements of the year 2022-2023. Through the year, and despite the economic, financial and political challenges, we must thank God for the growth we have achieved in the Riamo TVC We are in the roadmap of ensuring that we be a centre of excellence in provision of quality Technical skills, knowledge, research and innovation.

To achieve its mandate, RTVC has developed its first strategic plan covering five (5) years i.e July 2023 to June 2027. I am pleased to note that RTVC has aligned this strategic plan with the national aspirations of increasing access to quality and affordable quality training that meets global standards

The Strategic Plan was prepared through an extensive participatory process by the members of the Board of Governors and Management. The process involved review of documents, brain-storming sessions, discussions and consultative workshops and consultations with other stakeholders on both the internal and external environments to determine the vision, mission, key result areas, thematic areas, strategic objectives, strategies and activities.

On behalf of the Board, I wish to commend RTVC staff and consultants for their commitment in the development of this strategic plan that provides a blueprint for actualization of its mandate. As we embark on this transformative journey, substantive resources will be required. As a board we will do what it takes to mobilize and avail the required resources for effective and efficient implementation of the plan. We were looking forward to more collaboration with the CDF team for help in developing the college.

Through the year, the B.O.G and the Management had proposed projects; water harvesting in the college, power connectivity and making of proper water system in the college and we are working forward to completing them when the resources are available.

I want to thank the Government of Kenya through the ministry of Education for the continued financial support through capitation, grants and giving guidelines which are leading us. My kind regards to the Bomachoge Borabu, Bomachoge Chache constituencies and Kisii County.

Government for the financial support through CDF and County Bursaries which were given to our trainees.

Thanks to the BOG, Management, staff, students and all stakeholders for the cooperation shown during the year.

CAROLINE ONCHWARI

CHAIR, BOARD OF GOVERNORS

6. Report of the Principal

It's with great pleasure that I present to you the annual financial statements for the 2022-2023 financial year. The institute is new and so it is the first time that it's submitting its financial statements.

The institute had set targets in terms of projects of which others have been completed, others are underway and the rest have not been commenced. The completed ones are;

- Marketing of the institute. The target number of new students was 100 but after the marketing, we were able to enrol 80 students. The BOG together with the college management is looking forward to be undertaking such marketing activities, major one in August targeting September intake and others in within the year to be able to increase its enrolment numbers.
- Water collection system- we were able to construct gutters for water collection in the institute This has really helped in harvesting enough water thus making the environment conducive for the staff and students. In future, we anticipate having more students, therefore, we intend to have more tanks and build a borehole to be able to increase the levels of waters in the institute.
- Plumbing services- initially there was poor sewerage system in the college. There lots of leakages in the septic tank. We repaired it and bought a water pump so as to make the washrooms functional.
- The underway project is fencing the school compound that is to be completed early in the next financial year 2023-2024.

The college is young and there are financial constraints that are really hindering the completion of the proposed projects. These projects are;

- Making of more desks for the students
- Construction of the multipurpose hall
- Digging of a borehole.
- Procure training equipment and facilities.
- Construction of the decent college gate and fencing the college land.

- Construction of more lecture halls and workshop shades.
- Construction of the college library and pack it up with learning resources.

Since the institute is young, it is facing quite a number of challenges but, the BOG, management and the students are working together as a team to overcome the challenges and grow all round. Some of the challenges are:

i. Financial constraints - we entirely rely on government capitation, grants and school fees paid by students as our main source of funding to our annual budget. Recently there has been a tremendous increase in the living standards, therefore the students are dealing with the basic needs and are not able to fully raise the school fees. The Government on the other hand scrapped the grants that it was giving and sometimes fail to give capitation leading to struggles to run the school by the BOG and management.

ii. Low Enrolment of students- the college is new, even with marketing some people still don't know that it exists, some have not build confidence on it because it's still new, thus leading to the low enrolment numbers. But we hope that with the positive indicators of the surrounding wanting to know more about the college, we anticipate having more students in the future.

iii. Inadequate Trainers and Workshops – The current trainers are not enough to complete the training of students. The Government has deployed 5 trainers therefore straining them. Due to the financial constraints, the trainers are not able to attend workshops for further training.

In collaboration with the BOG, Management and other stakeholders, we belief that going forward, we will grow in terms of development, students' enrolment and staff welfare so that Riamo TVC to develop highly qualified, globally competitive and resourceful graduates by providing quality Training and Entrepreneurial skills that are responsive to market demands.

NICODEMUS MIRIOBA

PRINCIPAL/SECRETARY BOG

PRINCIPAL
RIAMO TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 3556-40200, Kisii

7. Statement of Performance against Predetermined Objectives

RTVC has 3 strategic Pillars and strategies within current Strategic Plan for the FY 2023- FY 2027. These strategic pillars are as follows:

The Kenya's long term development agenda is set out in the Kenya Vision 2030. The aim of Vision 2030 is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle income nation, providing high quality of life for all the citizens by the year 2030. The Vision 2030 is anchored on three pillars: economic, social and political pillars.

a) **The Economic Pillar**: Aims at providing prosperity for all Kenyans by attaining an annual growth rate of 10% and sustaining it throughout the Vision period. Under this pillar, flagship projects have been identified in key sectors of tourism, agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services

b) **The Social Pillar**: Seeks to build a just and cohesive society with social equity in a clean and secure environment. To achieve this, the priority sectors identified are. education and training; health; water and sanitation; the environment; housing and urbanization; gender, youth, sports and vulnerable groups.

c) **The Political Pillar**: Aims to realize an issue-based, people-centred, result-oriented and accountable democratic system. The specific areas identified for achievement of this priority are respect for the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

Riamo TVC has 6 strategic objectives and strategies within current Strategic Plan for the FY 2023- FY 2027. The following are the strategic objectives and strategies under which the implementation programs will be done -

Strategic objective 1: - To increase trainee enrolment

Strategies:

a) Introduce market oriented courses.
b) Market and publicize the college.
c) Undertake corporate social responsibility to the community.
d) Participate in co-curricular activities
e) Sensitize trainees on Higher Education Fund, HELB loans, and CDF bursaries.

Strategic objective 2: To provide quality Training Environment

Strategies:

a) Undertake construction of lecture halls.

b) Undertake construction of workshop sheds.

c) Equip the workshops.

d) Equip and stock the library.

e) Provide clean and safe water.

f) Provide clean and safe environment.

g) Provide adequate sanitation facilities and services.

h) Construct hostels.

i) Construct recreational facilities.

j) Procure College bus and van.

k) Improve the aesthetics of the college.

l) Provide appropriate facilities for persons with special needs.

m) Construct a perimeter fence and gate

Strategic objective 3: - To integrate ICT in training and management of the college

Strategies:

a) Increase the number of desktop computers and laptops.

b) Provide internet or WIFI services.

c) Develop the college website.

d) Install CCTV coverage.

e) Establish a Management Information System.

f) Train staff on the use of MIS.

g) Integrate ICT in training and learning

Strategic objective 4: - To enhance human capital capacity.

Strategies:

a) Recruit staff in deficit areas.

b) Enhance staff capacity.

c) Offer fair remuneration.

d) Entrench performance management

e) Enhance staff welfare.

Strategic objective 5: - To enhance efficiency and effectiveness in service delivery.

Strategies:

a) Develop a delivery service charter.
b) Enhance quality delivery of services.
c) Develop conflict and complaint resolution mechanisms.
d) Sensitize staff on integrity and professional ethics.
e) Promote good corporate governance practices.

Strategic objective 6: - To improve trainee welfare

a. Establish trainee leadership.
b. Establish guidance and cancelling services
c. Sensitize trainees of alcohol and drug abuse.
d. Sensitize trainees of HIV and AIDS prevention.
e. Conduct trainees' Barraza.
f. Improve welfare of trainees with disabilities.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Aims at providing prosperity for all Kenyans by attaining an annual growth rate of 10% and sustaining it throughout the Vision period	Flagship projects have been identified in key sectors of tourism, agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services.	Mentorship programmes .	In progress
Pillar 2	Seeks to build a just and cohesive society with social equity in a clean and secure environment.	To achieve this, the priority sectors identified are: education and training; health; water and sanitation; the environment; housing and urbanization; gender, youth, sports and vulnerable groups.	Fair and inclusive employment policies and procedures Publicity of the financial statements	Ongoing
Pilla r 3	Aims to realize an issue-based, people-centred, result-oriented and accountable democratic system	The specific areas identified for achievement of this priority are respect for the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.	Participation in TVET Fair, exhibitions, Sports. Introducing new courses Competitive marketing	Ongoing

STRATEGIC OBJECTIVE 1: TO INCREASE TRAINEE ENROLMENT

STRATEGIES	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATOR	TARGET	RESPONSIBILITY	TIME FRAME
1 Introduce market oriented courses	Introduce market-driven courses	Increased enrolment	20 new courses introduced. Revised brochure	20 new courses	Deputy principal Registrar HODS	2023/27
	Register the courses with TVETA	Approved courses	Inspection report TVETA License	100%	Registrar	2023/2024
2 Market and Publicize the college	Conduct marketing and publicity of the college	Marketing and publicity done	Requests Budget Marketing reports Brochures	100%	Registrar	Termly

	Install designed RTVC sign boards at strategic places	Sign boards installed .	Requests Installation reports Sign boards	100%	Registrar	Dec 2023
3 Undertake corporate social responsibility	Conduct Clean ups/visits to children's home/ hospitals	Community service activities held	Schedules Community service reports Acceptance letters	100%	Dean of Students	Annually
4 Participate in co-curricular activities	Participating ng in local and regional events	Co-curricular activities held	Number of events participated. Requisitions/budgets Invitation letters	At least 3 events participated per year	Principal Sports Officer	2023/27

5. Sensitize trainees on Higher Education fund HELB loans, County and Constituency bursaries		Increased access and enrolment	Circulars/memos program List of beneficiaries	100%	Dean of Student Registrar	Termly

STRATEGIC OBJECTIVE 2: TO PROVIDE QUALITY TRAINING ENVIRONMENT

STRATEGIES	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATOR	TARGET	RESPONSIBILITY	TIME FRAME
1 Undertake the construction of lecture halls	Develop infrastructure plans and designs	Infrastructure plans and designs developed	Plans and designs	100%	Principal	Dec 2023
	Undertake construction of lecture halls	Lecture halls constructed	Completion certificates/reports	80%	Principal	2024/2027
2.Undertake construction of workshop sheds	Develop infrastructure plans and designs	Infrastructure plans and designs developed	Plans and designs	100%	Principal	Dec 2023
	Undertake construction of sheds	Sheds constructed	Sheds for electrical. HDBT, fashion design, building technology, plumbing, carpentry, welding	8 sheds	Principal	June 2025
3 Equip and stock the library	Budget and procure library furniture and	Library equipped and stocked	Requisitions Inventory List of books	50% furniture procured 100 titles	Principal HODS	2023/27

	reference materials					
4 Provide adequate clean and safe water	Procure 10,000 litre water tanks	Water tanks procured	Requisitions Installation Report	5 storage tanks	Dean of Students	2023/27
	Construct water fountains.	Water fountains constructed	Completion reports	3 fountains	Dean of Students	2023/27
	Connect to domestic water supply line	Domestic water supply connected	Connection report	Piped water supply	Dean of Students	2023/2025
5 Provide clean and safe environment	Construct a landfill/waste pit	Land fill constructed	Completion reports	1 landfill/waste pit	Dean of Students	June 2024
	Procure litter bins	Litter bins procured	Requisitions	10 Litter bins	Dean of Students	Dec 2024
	Construct an incinerator	Incinerator constructed	Completion report	1 Incinerator	Dean of Students	Dec 2026
	Procure and install fire fighting equipment	Fire fighting equipment procured and installed	Requisitions Completion report	10 Installed Fire extinguishers 1fire assembly	Dean of Students	2023/27

				point marked		
6 Provide adequate sanitation facilities	Construct washrooms	adequate sanitation facilities provided	Completion reports Requisitions	Adequate washrooms Sanitary bin put in all female washrooms	Principal	2024/27
7 Construction of hostels	Develop infrastructure plans and designs	Plans and designs developed	Copy of plans	100%	Principal	Dec 2025
	Undertake construction of 200 capacity hostels	Hostels constructed	Number of hostels constructed Completion certificate	100%	Principal	June 2026
8 Construction of recreational facilities	Develop infrastructure plans and designs	Plans and designs developed	Designs/plans	100%	Principal	Dec 2023
	Undertake construction of recreational facilities	Recreational facilities constructed	Completion certificate Reports	2 volleyball pitches 1 netball 1 Basket ball 1 handball	Principal	2023/2027

9 Purchase college motor vehicles	Procure a 52 bus seater and a pick-up	College vehicles purchased	Log books Delivery report	100%	Principal	2023/27
10 Provide appropriate facilities for persons with special needs	Construct rumps and equip washrooms with facilities for PWD	User friendly facilities put in place	Rumps Washrooms Pavements	Rumps 1 male and 1female washroom for PWD	Principal	Dec 2024
11 Improve the aesthetics of the college	Fabricate metallic benches Plant flowers Plant trees Carry out landscapin g Paint the buildings	Improved aesthetics	Budgets Requisitions	10 metallic benches Flower beds Aesthetic trees Landscapi ng Painted buildings	Principal	2023/2027
12 Equip training workshops	Prepare budgets and Procure the equipment	Equipped workshop	Budgets Requisitions Inventory	Equip 50% HDBT, Fashion, building Electrical, Plumbing, welding workshops	Principal	2023/27

13 Construct a perimeter fence and gate	Prepare designs and Construction of the gate and perimeter fence	Perimeter fence and gate constructed	Designs/plans Bill of quantities Completion certificate	Perimeter fence 1 main gate	Principal	2023/27

STRATEGIC OBJECTIVE 3: TO INTEGRATE ICT IN TRAINING AND MANAGEMENT OF THE COLLEGE

1 Increase the number of desktops, laptops LCD projectors	Procure the desktops, laptops and LCD projectors	Desktops, laptops and LCD projectors number increased	Number procured Requisitions Inventory.	50 desktops 5 laptops 2 LCD projectors	Principal HOD ICT	2023/27
2 Provide internet/WI-FI services	Procure and install internet/ WI-FI	Internet/WI-FI installed	Requests Contract agreement	50 mbps	Principal HOD ICT	2023/27
3 Develop the College Website	Design, develop and host the website.	College web site developed	Completion reports Contract agreement	70%	Principal HOD ICT	2023/27
4 Install CCTV coverage	Procure and install the CCTV cameras	CCTV cameras installed	Number of cameras installed. requisitions budgets Installation report	80%	Principal HOD ICT	2023/27
5 Establish a Management	Procure and install the MIS.	MIS installed	Requests Contract agreement Installation report	50%	Principal HOD ICT	2023/27

Information System						
6 Train staff on the use of MIS	Develop training schedule s	Trained staff	Training schedules Attendance registers	70%	HOD ICT	2023/27
7 Integrate ICT in training and learning	Schedule ICT practical work Train trainers on the use of ICT on curriculu m delivery Sub scribe to on-line learning materials		Practical schedules Number of staff trained Number of on-line materials accessed	100% integration 10 trainers trained 5 subscription	D/Princip al HODS HOD ICT	2023/27

STRATEGIC OBJECTIVE 4: TO INCREASE THE HUMAN CAPITAL CAPACITY

STRATEGIES	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATOR	TARGET	RESPONSIBILITY	TIME FRAME
1 Recruit staff in deficit areas	Carry out gap analysis	Staff recruited	Gap analysis report Advertisements Interview reports Appointment letters/signed contracts	70% of deficit areas	Principal	2023/27
2 Enhance staff capacity	Undertake training needs assessment TNA	TNA conducted	TNA report	4 TNA Reports	Deputy Principal	Annually
	Develop and implement staff training plans	Staff training plans developed and implemented	Approved training plan Number of staff trained Training reports	1 training plan 10 staff trained	Deputy Principal	Annually

	Conduct benchmarking	Benchmarking conducted	Need assessment report Request Acceptance letters BOG approval minutes Benchmarking report	100%	Deputy Principal	Annually
	Attend seminars/ workshops	Seminars and workshops attended	Attendance sheets Approved invitation letters	100%	Principal	Continuous
3 Offer fair remuneration	Establish a scheme of service	Scheme of service established	Approved scheme of service	1 Scheme of service	Principal	2023/27
	Develop salaries and benefits structure	Salaries and benefits structure developed	Approved salaries and benefits structure	1 Salaries and benefits structure	Principal	2023/2027

Entrench performance management	Undertake performance appraisal	Performance appraisal undertaken	Performance appraisal reports Work plans	1 Annual report	Deputy/Principal HODs PC	Annually
	Implement rewards and sanctions policy	Rewards and sanctions policy implemented	Number of staff rewarded or sanctioned	1 Annual report	Deputy/Principal HODs PC	Annually
5 Enhance staff welfare	Provide staff with personal protective equipment PPEs	Personal protective equipment provided	PPEs provided Budgets	1 PPE annually	Principal	Annually
	Facilitate staff welfare activities		Budgets Schedules Attendance sheets	End year party Bonding/team building	Principal	Annually

STRATEGIC OBJECTIVE 5: TO ENHANCE EFFICICIENCY AND EFFECTIVENESS IN SERVICE DELIVERY

STRATEGIES	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATOR	TARGET	RESPONSIBILITY	TIMEFRAME
1. Promote good corporate governance practices	Undertake capacity assessment for BOG members and Management	Capacity assessment done	Capacity needs assessment report	2 Reports	Principal D/Principal	2023/27
	Conduct capacity development for BOG and Management	Capacity development conducted	Approved requests Budget Attendance sheet Training schedule	100%	Principal D/Principal	Biennial
	Develop and implement Board of Governors' Charter	BOG Charter developed and implemented	Approved charter Level of compliance	100%	Principal	Dec 2023

	Develop annual performance contract	Annual performance contract developed	Approved performance contract	4 PCs	Principal PC Coordinator	2023/2027
2. Develop a service delivery charter	Establish a service delivery charter	Service delivery charter developed	Approved service delivery charter	100%	Principal PC Coordinate	Dec 2023
	Translate the service delivery charter to Kiswahili.	Service delivery charter translated to Kiswahili	Translated service delivery charter	100%	Principal PC Coordinate	June 2024
	Translate the service delivery charter to Braille	Service delivery charter translated to Braille	Translated service delivery charter	100%	Principal PC coordinate	Sep 2024
3 Develop conflict and complaint resolution	Establish Public Complaint office	PCO established	Letter of Appointment	100%	Principal	Sep 2023

mechanism	Develop conflict and resolution mechanisms	Conflict and resolution mechanisms developed	Approved Public complaint handling procedure Complaint/Complimentboxes Public complaint register	100%	D/Principal PC Officer	2023/27
	Sensitize staff and trainees on conflict resolution procedures	Staff and trainees sensitized on conflict resolution procedures	Attendance sheets Programme Reports	100%	D/Principal PC Officer	2023/27
4. Sensitize staff on integrity and professional ethics	Establish Integrity Assurance Office IAO	Integrity Assurance office established	Letter of Appointment	100%	Principal	Sep 2023
	Sensitize staff on integrity and professional ethics	Staff sensitized	Attendance sheets Reports	100%	IAO HODS	After six months

5. Enhance quality delivery of services	Establish Quality Assurance office	Quality Assurance office established	Letter of appointment	100%	Principal	Sep 2023
	Develop policies and Procedures	Policies developed	Approved Academic policy, College Rules and Regulations. Approved procedures: Training, Admissions, Examinations, Industrial Attachment,	60%	Quality Assurance Officer	Dec 2023

STRATEGIC OBJECTIVE 6: TO IMPROVE TRAINEE WELFARE

STRATEGIES	ACTIVITIES	EXPECTED OUTPUT	PERFORMANCE INDICATOR	TARGET	RESPONSIBILITY	TIME FRAME
1. Establish trainee leadership	Develop trainee's' government constitution	Trainee government constitution developed	Approved Constitution	100%	Dean of Students	Dec 2023
	Organize trainees election	Elections held	List of vacancies declared List of elected officials	100%	Dean of Students	Annually
	Provide support during trainees' government elections	Smooth election process	Approved requests Approved budget List of elected officials	100%	Dean of Students	Annually
	Induct elected officials	Induction held	Request Approved budget Induction schedule Attendance register	100%	Dean of Students	Annually

2. Establish Guidance and Counselling services	Establish G&C Office	G&C established	Appointment letter	100%	Principal	Sep 2023
	Develop Guidance and Counselling policy	G&C policy developed	Approved G&C policy	100%	HOD G&C	Dec 2023
	Train peer educators	Peer Educators trained	Attendance sheets List of qualified peer educators	100%	HOD G&C	Annually
3 Sensitize trainees on alcohol and drug abuse	Organize trainee sensitization forums	Trainees sensitized	Attendance sheet	100%	HOD G&C	termly
	Organize sensitization for all new trainees	All new trainees sensitized	Orientation schedule Attendance sheets Program	100%	Dean of Students HOD G&C	During Orientations
4. Sensitize trainees on HIV/AIDS	Organize sensitization of trainees on	Sensitized trainees	Attendance sheets Program	100%	HOD G&C	Termly

prevention	HIV/AIDS prevention					
	Organize sensitization for all new trainees	trainees sensitized	Attendance sheets Orientation schedule	100%	Dean of Students HOD G&C	During orientation
5. Conduct trainees barazas	Organize trainees barazas	Barazas conducted	Attendance sheets Barazas reports	100%	Dean of Student Academic HODs	Termly
6. Improve welfare of trainees with disabilities	Monitor and address issues of PWDs	PWDs issues addressed	Attendance sheets Reports on PWDs	100%	Dean of Students	Termly

8. Corporate Governance Statement

Corporate governance entails Processes, rules, regulations and procedures through which the college is governed. It involves balancing the interests of the college in order to achieve long term strategic objectives of the college.

The roles and duties of the Board of Governors are clearly by the TVET Standards and they include; developing and implementing the strategic plan of the College, Prepare Annual Budget, Promoting and maintaining standards, quality and relevance in education and training in the college, administering and managing the properties of the college, overseeing the conduct of education and training in the college, employment of the staff and determining their terms of service, giving strategic plan to the college's staff.

The Riamo Technical and Vocational College Board members operate in compliance with the Mwongozo code that offers corporate governance framework for all state corporations.

During the year, the College Board members held regular quarterly meetings, while special meetings were called when necessary.

The Board is headed by the Chairperson and is composed of eight members inclusive of the Principal who is the only executive member. The constitution of the Board members takes into consideration requirements of the sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the College. The Board members are appointed to various Board Members' Committees mandated to carry out specified functions. The Board members therefore bring their diverse experiences in deliberations during Board meetings.

The Board members' committees have well defined terms of reference. The committees are intended to facilitate efficient decision making by the Board members in them discharging their duties and responsibilities.

The Board members are not remunerated but they are given honoraria allowances per sitting.

9. Management Discussion and Analysis

Operational and financial performance

The entity's financial statement indicates that; the entity's performance is in a better state in line with the entity's going concern.

The Completed projects during this financial year include construction of gutters for water collection The on-going projects include the construction of workshop sheds and fencing of the college compound.

The financial statements give a true and fair view state of the financial status of the college, as per the Board of governors and the management of the college.

Compliance with statutory requirements

The College fully complies with the statutory requirements, in accordance with section 83[5] of Public Finance Management, and the IPSAS applicable for the preparation of the financial statements.

The Board of governors accepts responsibility for maintenance of accounting records that are to be relied upon, in preparation of the financial statements as well as proper internal controls.

Major Risks facing the Organisation

Financial risk;

The college relies mainly on fees paid by students and the capitation that is sent by the Ministry of Education. If either or both sources fail, then college faces the financial challenge.

Capital risk;

The college have many projects to undertake but that has not been achieved because of the financial challenges, thus no accomplishment of the strategic plan objectives.

Market risk;

The high costs of marketing and lack of accommodation facilities inside the college has led to low intake of students.

Liquidity risk;

The college has no capacity to secure liquid cash to meet its short term financial obligations.

Material arrears in statutory and other financial obligation

The college has no arrears in statutory and other financial obligation

10. Environmental and Sustainability Reporting

Riamo TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

The college has a strong bond/ relationship with the surrounding community that it participates in its activities like fund drives, retirement ceremonies and funerals.

Environmental performance

Environmental degradation has severe negative effects in the world. It is therefore important for constant efforts to be made to conserve the environment around us. During the year, the college initiated the project of ensuring enough water supply in the compound by constructing gutters for water collection and harvesting, and given that the COVID 19 rules are to be observed continuously.

Employee welfare

The College has developed a Human resource policy to help in the recruitment of its staff. The policy is also gender sensitive as it has contributed to the third gender rule as per government directives. The college hold staff meeting at the beginning /end of every term for motivation to its staff. This has improved the morale of the employees in the place of work and thus improved service delivery. The college is in the process of putting in place a safety policy in order to comply with the Occupational Safety and Health Act of 2007, (OSHA).

Corporate Social Responsibility / Community Engagements

The college has incorporated practices and policies that have a positive influence to the surrounding community. For instance, the college gives priority in employment opportunities to the community, it sources some of the items for use in the college from the community. The college's sports team, in most cases hold friendly marches with the community teams.

The college participates in funerals and fund drives in the community by giving cash and physically participating in them.

11. Report of the Board of Governors

The board members submit their report together with the audited financial statements for the year ended 30th June 2033 which show the state of Riamo technical and vocational college

Principal activities

Riamo technical and vocational college is registered institution offering training programs. The principal activities of the college include:

1. Technical and vocational training

- Offering artisan, certificate and diploma courses.
- Providing hands-on skills training to equip students with practical industry-relevant experience.

2. Entrepreneurship and skills development

- Incorporating business and entrepreneurial training into technical courses to promote self-employment.
- Offering short courses and workshops in business development and financial literacy.

3. Industrial attachment and apprenticeship

- Partnering with industries and organisations to facilitate industrial attachments for students
- Providing apprenticeship opportunities for students to gain real- world experience.

4. Research and innovation

- Encouraging students and faculty to participate in research and innovative projects.
- Promoting technological advancements through applied research in various disciplines.

5. Student support services

- Providing career guidance and counselling services
- Offering financial aid, scholarships and mentorship programs.

6. Accreditation and quality assurance

Ensuring compliance with education regulatory bodies such as Technical and Vocational Educations and Training Authority (TVETA)

- Maintaining high standards of teaching and assessment in line with national and international benchmarks.

Signed:

Nicodemus Mirioba

Principal, Riamo Technical and Vocational College

Date. 23/9/2023.....

RIAMO TECHNICAL COLLEGE
P.O. Box 2656 - 40200, KISII

12. Statement of Board of Governors' Responsibilities

The board of governors at Riamo technical and vocational college (RTVC) plays a pivotal in steering the institution towards achieving its mission of providing quality training and entrepreneurial skills that are responsive to market demands. Their responsibilities encompass several key areas:

Strategic Leadership

a) **Mission and vision alignment:** ensure that RTVC's activities align with its mission to develop highly qualified and resourceful graduates

b) **Policy development:** formulate and approve policies that guide the institution's operations and strategic direction.

Governance and Oversight

a) **Regulatory compliance:** ensure adherence to the ministry of education's standards and other regulatory requirements.

b) **Ethical standards:** promote uphold the core values of excellence, integrity, professionalism, creativity, teamwork, accountability and transparency.

Financial Stewardship

a) **Budget approval:** review and approve annual budget, ensuring financial resources are allocated effectively to support institutional priorities.

b) **Financial monitoring:** oversee financial performance and ensure the sustainability of RTVC's programs to maintain high educational standards.

Institutional Performance

a) **Quality assurance:** monitor and evaluate the quality of training program to maintain high educational standards

b) **Performance metrics:** assess institutional effectiveness through key performance indicators and support continuous improvement efforts.

Human Resource Management

Staff development: support policies and programs that promote professional development

Stakeholder Engagement

a) **Community relations:** foster strong relationships with the local community, industry partners and other stakeholders to enhance collaboration and support.

b) **Communication:** ensure transparent and effective communication channel between board, management, staff, student and external partners.

Risk Management

a) **Policy implementation:** establish and oversee the implementation of policies that mitigate risks associated with institutional risks associated with institutional operations.

b) **Crisis response:** develop and monitor framework for responding to emergencies and unforeseen challenges.

Approval of the financial statements

The financial statements were approved by the Board on 23/9/2023 and signed on its behalf by:

CAROLINE ONCHWARI	NICODEMUS MIRIOBA
.....	.....
Chairperson of the Board/Council	**Accounting officer/Principal**

PRINC...
RIAMO TECHNICAL & VOCA...AL
COLLEGE
P.O. Box 2656 - 40200, KISII

REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

The accompanying financial statements of Riamo Technical and Vocational College set out on pages 1 to 33, which comprise the statement of financial position as at 30 June,

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Riamo Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracy in the Statement of Financial Position

The statement of financial position reflects accumulated surplus balance of Kshs.157,194. However, the statement of changes in net assets reflects a balance of Kshs.2,341,374 resulting to a variance of Kshs.2,184,180.

In the circumstances, the accuracy and completeness of the accumulated balance Kshs.157,194 could not be confirmed.

2. Unsupported Compensation of Employees

The statement of financial performance reflects compensation of employees amount Kshs.1,292,000 as disclosed in Note 10 to the financial statements. However, the balance was not supported with master rolls, the casual's attendance sheets, monthly payrolls, statutory deductions payment schedules and ledger.

In the circumstances, the accuracy and completeness of compensation of employees of Kshs.1,292,000 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial position reflects a cash and cash equivalent balance of Kshs.218,194 as disclosed in Note 15 to the financial statements. However, the balance was not supported with cashbook extract, approved reconciliation, reconciling items schedules indicating transaction dates and subsequent dates cleared.

In the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs.218, 194 could not be confirmed.

4. Unsupported Inventories

The statement of financial position reflects inventories balance of Kshs.104,770 as disclosed in Note 18 to the financial statements. However, the balance was not supported with detailed signed stock sheets, the year's stock takes report and ledger.

In the circumstance, the accuracy and completeness of inventories balance of Kshs.104,770 could not be confirmed.

5. Unsupported Student Arrears – Fees

The statement of financial position reflects student arrears-fees balance of Kshs.2,090,040 as disclosed in Note 16 to the financial statements. However, no detailed aged analysis and support documents were provided for audit review. Further, analysis of the balances was not reflected in the notes to the financial statements. In addition, there was no credit policy to clearly guide on debts recovery, the provision for bad and doubtful debts or bad debts written-off.

In the circumstance, the accuracy and completeness of student arrears – fees balance of Kshs.2,090,040 could not be confirmed.

6. Unsupported Trade and other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables balance of Kshs.225,470 as disclosed in Note 20 to the financial statements. However, no detailed ageing analysis and support documents were provided for audit review.

In the circumstances, the accuracy of the trade and other payables from exchange transactions of Kshs.225,470 could not be confirmed.

7. Property, Plant and Equipment

The statement of financial position, and as disclosed in Note 19 to the financial statements, reflects property, plant and equipment balance of Kshs.104,820,525. However, the following unsatisfactory matters were noted:

7.1 Undisclosed Property, Plant and Equipment and Un-supported balance

The statement of financial position reflects property, plant and equipment balance of Kshs.104,820,525 which, as disclosed in Note 19 to the financial statements, includes plant and machinery balance of Kshs.104,820,525. However, examination of the records provided for audit and physical verification of the listed assets indicated that the College owned land, buildings, computers, computers, ICT related equipment, office equipment, loose tools, furniture and fittings of undetermined size or quantity and value that was not included in the assets register or disclosed in the financial statements. Further, the balance of Kshs.104,820,525 was not supported with detailed asset register and schedule itemizing all the assets per category, payment vouchers, additions schedule, ownership documents, depreciation charge for the period, accumulated depreciation, assets register, respective asset ledgers among others.

7.2 Land Buildings Without Ownership Documents, Value and Depreciation Charge

Audit verification revealed that the College did not have a tittle deed for the land and ownership documents for the buildings and other assets. It was also not clear how the property, plant and equipment values were arrived at. Further, there was no depreciation policy and assets were not depreciated for over two years and reported accordingly.

7.3 Lack of Accounting for Assets Donated by the Ministry of Education

Review of accounting records revealed that the College received a number of donated assets by the Ministry of Education. However, documents from the Ministry showing historical costs of these assets or valuation reports supporting the amounts were not provided for audit. Consequently, the assets values have been excluded in the property plant and equipment balance Kshs.104,820,525.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.104,820,525 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Riamo 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects total income budget of Kshs.4,820,000 against actual budget of Kshs.3,921,110 resulting in to unrealized income amounting to Kshs.898,890 or 19%. This is an indication of unrealized targets and which may be as a result of over budgeting.

Further, the total expenditure budget amounted to Kshs.4,698,000 against actual expenditure of Kshs.3,763,916 resulting to under absorption of Kshs.859,814 or 20%, indicating that some activities and budgeted projects may not have been implemented.

The underfunding and under-expenditure constrained implementation of planned activities and may have impacted negatively on service delivery to the students and other stakeholders of the College. There is need therefore for the College management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery as per the College mandate and provide services to the students and other stakeholders

Key Audit Matters

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

report in the year under review.

Other Information

The Management is responsible for the Other Information set out on page v to xliv which comprises Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Management Discussion Analysis, Environmental Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governors' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

The College's financial statements for the year ended 30 June, 2023 were submitted to the Office of the Auditor-General late on 4th March 2025, one year, 5 months and four days after the statutory deadline date of 30 September, 2023. This is contrary to provisions of Section 47(1) of Public Audit Act, 2015 which requires the public entities to submit the financial statements to the Auditor-General within three months after the end of the financial year to which the respective accounts relate.

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

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

Audit review of employees' records indicated that out of the twenty-three (23) employees

of the College, eighteen (18) or 88% of the establishment were from one ethnic community. This was contrary to Section 7(1) and Section 7(2) of the National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and ensure that not more than one-third of its staff are from the same ethnic community.

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

3. Failure to maintain Insurance for the college Staff

The audit revealed that all the Board of Governors (BOG) employees at Riamo technical and vocational college are not covered by any insurance company. This exposes the college staff to risks that may arise during its operations and in line of duty. This was contrary to section 7 (1) of the Work Injuries and Benefits Act 2007 which states that every employer shall obtain and maintain an insurance policy, with an insurer approved by the ministry in respect of any liability the employee may incur under this Act to any of its employees

In the circumstances, management was in breach of law.

4. Weaknesses in Imprest and Cash Management System

Review of accounting records revealed lack of clear management of the petty cash and imprest management. No imprest register was maintained to record all imprest issued, surrendered and outstanding balances. Imprest were issued, but no surrender documents were provided for audit verification. Further, various activities were undertaken throughout the financial year without prior approvals hence not possible for the management to prevent activities that are not objective and strategic to the goals of the College. In addition, the College used cash to purchase goods items and services without taking imprest and these was also not approved imprest holders and cash floats to guide the withdrawal limits and reimbursements.

In the circumstances, the regularity of imprest management practices of the college could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit

procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective

Basis for Conclusion

1. Lack of Approved Staff Establishment and Human Resource Manual

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

In the circumstances, the effectiveness of human resource function in the college could not be confirmed.

2. Weaknesses in the Management of Fixed Assets

The audit revealed that the College did not maintain a complete asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values asset codes, custodian and location among other details in respect of the assets the College owns. In addition, no assets manager was appointed or asset management committee put in place to effectively manage the College's assets. The assets have not been tagged and as a result making it difficult for the Management to manage its assets efficiently. Further the assets were not insured. There were a number of assets bonded in the stores but no evidence of disposal.

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

3. Payment Vouchers not Pre-numbered, Duly Authorized and Voted

In the year under review, the audit revealed that the payment vouchers at the College are manually serialized but not pre-numbered. Most of them were not pre-numbered or serialized. Some were manually serialized but not consistently done. None of the vouchers included documentation from the budgetary section to confirm the availability of funds which indicates that payments were not duly voted.

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

4. Lack of Stock Take and Inventory Record Management

The institution did not carry out regular or at least an annual stock-take of its various inventory categories for the financial year under review. Further, there were no proper

inventory records like updated bin cards, inventory registers, stock movement and issuance registers.

In the circumstance, the effectiveness of the College's internal controls and risk management could not be confirmed.

5. Lack of Internal Audit Function

The PFM Act, 2012 section (4) A national government entity shall ensure that internal audits in respect of the entity are conducted in accordance with international best practices. (5) Every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. During the year under review, the College operated without an internal audit function and audit committee.
In the circumstances, the effectiveness of the College's internal controls and risk management could not be confirmed

6. Lack of Documented Risk Management Policy

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

In the circumstance, it was not possible to ascertain how risks were identified and mitigated during the year under review.

7. Lack of Procurement Function

During the year under review, Management had not put in place a procurement function including recruitment of a procurement officer, to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws. For this reason, procurement of goods and services was done without use of tender documents including quotations, tender registers, tender opening, evaluation reports and notification of award.

In the circumstance, the effectiveness of the procurement function in the College could not be confirmed.

8. Lack of Finance and Accounting and Other Key Policy Manuals

Audit review revealed that the College has not developed finance and accounting manual to guide Management in processing financial transactions. This is contrary to Section 68 (2)(e) of The Public Finance Management Act, 2012 which states that an Accounting Officer for a National Government entity is accountable to the National College for ensuring that all applicable accounting and financial controls, systems, standards, laws

and procedures are followed when procuring or disposing of goods, adequate arrangements are made for their custody, safeguarding and maintenance.

In the circumstance, the effectiveness of the accounting function in the College could not be confirmed.

9. Lack of Information Communication Technology Policy

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

In the circumstances, the security and reliability of the College's data including its management information system could not be ascertained.

10. Lack of Continuity in the Affairs of Board of Governors and lack of County Government Representation

Examination of appointment letters of members of the board revealed that the term of all board members expired between September, 2022 and February, 2023. At the time of the audit in March, 2025, there was no board in place. Further review of the board of governor's records revealed that the composition of the board did not include a representative of the County Governor of Kisii County where the college is located. This was contrary to Section 1(2)(c) of the second schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the board of governors shall comprise of a representative of the county governor of the County within which the Institution is located.

In the circumstances, the effectiveness of the College's governance and operations could not be confirmed.

11. Lack of Approved Strategic Plan

Review of records provided for audit revealed that the College had a draft strategic plan that was yet to be implemented. This was contrary to Section 29(d) of the Technical and Vocational Education and Training Act, 2013, which provides that the functions of the Board of Governors shall include developing and implementing the Institution's strategic plan. In the absence of an approved strategic plan, the effectiveness and efficiency with which Management delivered education and training services could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or cease operations.

The 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 May, 2025

14. Statement of Financial Performance for the year ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the National Government (capitation and recurrent grants) capitation & recurrent grants)	6	1,980,000	1,000,000
Grants from donors and development partners	7	0	0
Revenue from exchange transactions			
Rendering of services- Fees from students	8	1,941,110	2,309,580
Total revenue		**3,921,110**	**3,309,580**
Expenses			
Use of goods and services	9	2,039,274	636,150
Employee costs	10	1,292,000	438,000
Remuneration of directors	11	169,000	0
Repairs and maintenance	12	260,152	5,000
General expenses	13	0	44,200
Finance cost(bank charges)	14	3,490	2,050
Total expenses		**3,763,916**	**1,125,400**
Other gains/(losses)			
Gain on sale of assets		0	0
Unrealized gain on fair value of investments		0	0
Impairment loss		0	0
Total other gains/(losses)		**0**	**0**
Net Surplus for the year		**157,194**	**2,184,180**

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

The Financial Statements set out on pages 1 to 33 were approved by the board of management on 23/09/2023 and signed by:

CAROLINE ONCHWARI

Chairperson, BOG

Date 23/09/2023

HELLEN OMAORO

Accountant

Date 23/9/2023

NICODEMUS MIRIOBA

Principal

Date 23/9/2023

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

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	218,194	61,000
Student arrears(Tuition and Admission)	16	2,090,040	2,223,180
Receivables from non-exchange transactions (capitation & recurrent grants)	17	0	0
Inventories	18	104,770	0
Total Current Assets		**2,413,004**	**2,284,180**
Non-current assets			
Property, plant and equipment(machines)	19	104,820,525	104,820,525
Total assets		**107,233,529**	**107,104,705**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	225,470	100,000
Total Current liabilities		**225,470**	**100,000**
Non-current liabilities		0	0
Total liabilities		**0**	**100,000**
Net assets		**107,008,059**	**107,004,705**
Financed by:			
Reserves		0	0
Accumulated surplus		**157,194**	**3,184,180**
Capital Fund		0	0
Total net assets and liabilities		**107,233,529**	**107,004,705**

The Financial Statements set out on pages 2 to 2 were signed on behalf of the Institute Board of Governors by:

CAROLINE ONCHWARI — **Chairperson, BOG**

Date 23/09/2023

HELLEN MORAA — **Accountant**

Date 23/9/2023

NICODEMUS MIRIOBA — **Principal**

Date 23/9/2023

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RIAMO TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 2656 - 40200, KISII.

16. Statement of Changes in Net Assets for the period ended 30th June 2023

Description	Accumulated Surplus	Reserves	Capital Fund	Total
As at July 1, 2022	**2,184,180**	**0**	**0**	**2,184,180**
Surplus/ deficit for the period	**157,194**	0	0	**157,194**
Returns to exchequer	(0)	0	0	(0)
Additions to reserves	0	0	0	0
Other changes (specify)	0	0	0	0
As at 30 June 2023	**2,341,374**	**0**	**0**	**2,341,374**

The Financial Statements set out on pages 3 to 3 were signed by:

CAROLINE ONCHWARI	HELLEN OMAORO	NICODEMUS MIRIOBA
.....	.....	.....
Chairperson of Board	**Accountant**	**Principal**
Date 23/09/2023	Date 23/9/2023	Date 23/9/2023

PRINCIPAL
RIAMO TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 2656 - 40200, KISII.

17.Statement of Cash Flows for the year ended 30th June 2023

Description	Note	2022 -2023 Kshs	2021-2022 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	1,980,000	1,000,000
Public contributions and donations- CDF	7	0	0
Rendering of services- Fees from students	8	1,941,110	86,400
Total Receipts		**3,921,110**	**1,086,400**
Payments			
Compensation of employees	10	1,292,000	338,000
Use of goods and services	9	2,039,274	636,150
Board Allowances	11	169,000	0
Repair and maintenance	12	260,152	5,000
General Operations Expenses	13	0	44,200
Finance cost (Bank charges)	14	3,490	2,050
Total Payments		**3,763,916**	**1,025,400**
Net cash-flows from operating activities		**157,194**	**61,000**
Cash flows from investing activities			
Purchase of PPE		**0**	**0**
Proceeds From Sale Of PPE		**0**	**0**
Net cash and cash equivalent from investing activities		**0**	**0**
Cash flows from financing activities;			
Proceeds from borrowing		**0**	**0**
Repayments of borrowings		**0**	**0**
Net cash flow used in financing activities		**0**	**0**
Net increase /decrease in cash and cash equivalent		**157,194**	**61,000**
Cash and cash equivalent as at 1st July		**61,000**	**0**
Cash and cash equivalent as at 30 June		**218,194**	**61,000**

CAROLINE ONCHWARI
Chairperson, BOG

Date.....

HELLEN MORAA
Accountant

Date....23/9/2023...

NICODEMUS MIRIOBA
Principal

Date.....28/9/2023.....

RIAMO TECHNICAL & VOC.
COLLEGE
P.O. Box 2656 - 40200, KISII

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanation of the material Difference
	2022-2023	**2022-2023**	**2022-2023**	**2022-2023**	**2022-2023**	**2022-2023**	
Revenue	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**%**	
Transfers from other Gov't entities (Capitation)	1,500,000	0	1,500,000	480,000	1,020,000	32	a
Recurrent grants from the Gov't	2,000,000	0	2,000,000	1,500,000	500,000	75	b
Rendering of services- Fees from students	1,320,000	0	1,320,000	1,941,110	(621,110)	147	c
Total income	**4,820,000**	**0**	**4,820,000**	**3,921,110**	**898,890**	**81.35**	
Expenses							
Compensation of employees	1,320,000	0	1,320,000	1,292,000	28,000	97.88	d
Use of Goods and services	2,678,000	0	2,678,000	2,039,274	664,456	76.15	e
Remuneration of directors	480,000	0	480,000	169,000	311,000	35.2	f
Repair and maintainance	220,000	0	220,000	263,642	-43,642	119.8	g
Total expenditure	**4,698,000**	**0**	**4,698,000**	**3,763,916**	**859,814**	**80.12**	
Surplus for the period	**122,000**	**0**	**122,000**	**157,194**	**36,076**	**128.85**	

Budget notes

a. The movement is due the failure of the government submitting the Q1 and Q4 fully and partial Q2 & Q3 capitation.

b. The movement is due to failure by the Government to submit Q4 grant.

c. The movement is due to increased enrolment

d. The movement is due to increased number of staff.

e. The movement is due to manageable number of staff and students

f. The movement is due to failure of BOG of holding board two meetings during the year.

g. The movement is due to the increase of maintenance cost due to increase of students

19. Notes to the Financial Statements

1. General Information

Riamo TVC is established by and derives its authority and accountability from Ministry of Education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 Riamo TVC accounting policies. The areas involving a higher degree of judgments or complexity, or where assumptions and estimates are significant to the financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

Standard	Impact
Other Improvements to IPSAS	**Applicable: 1st January 2023:** a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. **It's the first time to submit the financial statements**

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on July 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Riamo TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **4** under section **17** of these financial statements.

c) Taxes

Current income tax

Riamo Technical college is exempt from paying taxes.

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The RIAMO TVC assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Riamo TVC recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Riamo TVC.

k) Provisions

Provisions are recognized when Riamo TVC 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 Riamo TVC 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 Riamo TVC 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 Riamo TVC 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 Riamo TVC in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

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

m) Nature and purpose of reserves

The Riamo TVC does not create or maintain reserves in terms of specific requirements. Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Riamo TVC not provide 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.

o) 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.

p) 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.

q) Related parties

The Riamo TVC 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 Riamo TVC, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

r) Service concession arrangements

The Riamo TVC 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 Riamo TVC 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 Riamo TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

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

u) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Riamo TVC 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 Riamo TVC.
- 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 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 National Government Ministries

Description	2022-2023	2021-2022
	KShs	KShs
Unconditional grants		
Capitation grants	480,000	0
Recurrent grants	1,500,000	1,000,000
Total government grants and subsidies	**1,980,000**	**1,000,000**

7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Ksh	KShs
Other grants - CDF grant	0	0
Total grants from development partners	**0**	**0**

Reconciliations of grants from donors and development partners

Desc5iption	2022-2023	2021-2022
	Ksh	KShs
Balance unspent at beginning of year		
Current year receipts	0	0
Conditions met - transferred to revenue	0	0

8. Rendering of Services

Description	2022-2023	2021-2022
	Ksh	KShs
Tuition fees	1,478,400	2,200,380
Admissions	148,100	109,200
Examination fees	314,610	0
Local transport and travel	0	0
Repairs and Maintenance	0	0
Personal Emolument	0	0
Others(EWC, Attachment)	0	0
Total revenue from the rendering of services	**1,941,110**	**2,309,580**

9. Use of Goods and Services

Description	2022-2023	2021-2022
	Ksh	KShs
Teaching and learning materials	590,895	273,750
Industrial attachment costs	0	0
Electricity	0	0
Subscriptions KATTI	60,000	20,000
Advertising	61,800	5,400
Travelling and accommodation (Training expenses)	787,400	247,000
Printing and stationery	111,450	
Telephone expenses	0	
Internet expenses	45,006	
Activity	0	
Operating Expenses	382,723	90,000
Total goods and services	**2,039,274**	**636,150**

10. Employee Costs

	2022-2023	2021-2022
	Ksh	KShs
Salaries and wages	1,292,000	438,000
Employee related costs -contributions to pensions and medical aids	0	0
Accommodation, subsistence and other allowances	0	0
Employee costs	**1,292,000**	**438,000**

11. Remuneration of Directors

Description	2022-2023	2021-2022
	Ksh.	KShs
Board Emoluments	169,000	0
Total director emoluments	**169,000**	**0**

12. Repairs and Maintenance

Description	2022-2023	2021-2022
	Ksh	KShs
Property	249,362	5,000
Equipment and machinery	0	0
Computers and accessories	10,790	0
Total repairs and maintenance	**260,152**	**5,000**

13. General Expenses

Description	2021-2022	2021-2022
	Ksh	KShs
General expenses	0	44,200
Total general expenses	**0**	**44,200**

14. Finance Cost

Description	2021-2022	2021-2022
	Ksh	KShs
Bank charges	3,490	2,050
Total finance cost	**3,490**	**2,050**

15. Cash and Cash Equivalents

Description	2021-2022	2021-2022
	Ksh	KShs
Current account	218,194	61,000
Total cash and cash equivalents	**218,194**	**61,000**

Detailed Analysis of Cash and Cash Equivalents

		2022-2023	2021-2022
Financial institution	Account Mnumber	KShs	KShs
a) **Current account**			
Co-operative Bank	01141924806700	214,446	61,000
Sub- total		214,446	61,000
b) Others(specify)			
cash in hand		3,748	0
Sub- total		3,748	0
Grand total		**218,194**	**61,000**

16. Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Ksh	KShs
Current receivables		
Student debtors	2,090,040	2,223,180
Total current receivables	**2,090,040**	**2,223,180**

17. Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
Current receivables		
Transfers from the government	0	0
Total current receivables	**0**	**0**

18. Inventories

Description	2022-2023	2021-2022
	Ksh	KShs
Training materials		
Shampoo	900	0
Surgical spirit	1,500	0
Cotton wool	1,000	0
Weaving threads	600	0
Gloves	1,500	0
Rollers	1,000	0
Treatment	920	0
Manicure set	900	0
White board marker pens	10,800	0
2.5 twin earth	14,500	0
1.5 twin earth	9,500	0
MCB 20 Amps	1,600	0
Printing papers	12,000	0
TD papers A2	9,000	0
Tonner 26A	28,000	0
PVC pipe	4,550	0
GI pipe	6,500	0
Total inventories at the lower of cost and net realizable value	**104,770**	**0**

Valuation

Land has not been valued.

19. Property, Plant and Equipment at Cost

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

Description	2022-2023	2021-2022
	Kshs	KShs
Land	-	
Buildings	-	
Plant and machinery	104,820,525	104,820,525
Computers and related equipment	-	-
Office equipment, furniture, and fittings	-	-
Total	**104,820,525**	**104,820,525**

20. Trade and other Payables from Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
Trade payables	225,470	100,000
Fees paid in advance	0	0
Total trade and other payables	**225,470**	**100,000**

21. 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 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 2022				
As at June 2022				
Receivables from exchange transactions	1,160,400	0	0	0
Receivables from non - exchange transactions	1,520,000	0	0	0
Bank balances	61,000	0	0	0
Total	**2,741,400**	**0**	**0**	**0**

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) 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.

22. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Riamo TVC, holding 100% of the Riamo TVC 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 Governors;

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

	2022-2023	2021-2022
	Kshs	KShs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Gov't agencies	0	0
Rent Income from gov't. agencies	0	0
Water sales to Govt. agencies	0	0
Others (Specify)	0	0
Total	**0**	**0**
b) Purchases from related parties		
Purchases of electricity from KPLC	0	0
Purchase of water from gov't service providers	0	0
Rent expenses paid to gov't agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (specify)	0	0
Total	**0**	**0**
b) Grants /Transfers from the Government		
Grants from National Government	1,980,000	1,000,000
Grants from County Government	0	0
Donations in kind	0	0
Total	**1,980,000**	**1,000,000**
c) Expenses incurred on behalf of related party	-	-
Payments of salaries and wages for Bog employees	1,292,000	430,000
Payments for goods and services	2,039,274	636,150
Total	**3,331,274**	**1,066,150**
d) Key management compensation	0	0
Directors' emoluments	169,000	0
Compensation to key management	0	0
Total	**169,000**	**0**

23. Capital Commitments

11Capital commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for construction of practical sheds	300,000	0
Total	**300,000**	**0**

24. Events After the Reporting Period

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

25. Ultimate and Holding Entity

Riamo TVC is a Semi - Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

26. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
N/A	N/A	The institution has not been audited before as it began operations in July 2021	N/A	N/A

Accounting Officer

Name: NICODEMUS MIRIOBA

(PRINCIPAL)

Signature .....

Date: 23/5/2023.....

PRINCIPAL
RUMBO TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 2656 - 40200, KISII.

Appendix II: Projects Implemented by RIAMO TVC

Projects

Projects implemented by Riamo Funded by development partners.

Project title	Project Number	Don or	Period/ duration	Donor commit ment	Separate donor reporting require d as per the donor agreement (Yes/N o)	Consolidated in these financial statements (Yes/No)
1	No project implemented during the FY					
2						

Status of Projects completion

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

Appendix III: Inter-Entity Transfers

	ENTITY NAME:			
	Break down of Transfers from the State Department of 2022/2023			
	FY 22/23			
a.	**Capitation**			
		Bank Statement Date	Amount (KShs)	
	Quarter 1	NIL	0	FY 22/23
	Quarter 2	26th January 2023	240,000	FY 22/23
	Quarter 3	27th June 2023	240,000	FY 22/23
	Quarter 4	NIL	0	FY 22/23
		Total	**480,000**	
b.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	
	Quarter 1	21/10/2022	500,000	FY 22/23
	Quarter 2	18/10/2022	500,000	FY 22/23
	Quarter 3	13/7/2023	500,000	FY 22/23
	Quarter 4	NIL	0	FY 22/23
		Total	**1,500,000**	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
		Total	**0**	
d.	Donor Receipts			
		Bank Statement Date	Amount (KShs)	
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
	Quarter 1	NIL	0	FY 22/23
		Total	**0**	

The above amounts have been communicated to and reconciled with the parent Ministry A

Accountant

RIAMO TVC

Sign ----------

Head of Accounting Unit

Ministry of Education

Appendix IV: Reporting of Climate Relevant Expenditures

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	N/A

Appendix V: Reporting on Disaster Management Expenditure

Colum n I	Colum n II	Column III	Column IV	Colum n V	Column VI	Colum n VII
Programm e	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigati on n/preparedness)	Expenditure item	Amou nt (Ksh s.)	Comments
N/A	N/A	N/A	No disaster related activity occurred.	N/A	N/A	N/A