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**REPORT**

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CLERK-AT THE-TABLE:	Lomale

**OF**

**THE AUDITOR-GENERAL**

**ON**

**OKAME TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2024**





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# OKAME TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>TH</sup> JUNE 2024

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

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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**Table of Contents**

1.	Acronyms and Definition of Key Terms .....	ii
2.	Key Okame TVC Information and Management .....	iii
3.	The Council/Board of Governors .....	vii
4.	Key Management Team .....	xi
5.	Chairman's Statement .....	xiv
6.	Report of the Chief/Senior Principal .....	xv
7.	Statement of Performance against Predetermined Objectives .....	xviii
8.	Corporate Governance Statement.....	xxi
9.	Management Discussion and Analysis .....	xxi
10.	Environmental And Sustainability Reporting Statement .....	xxii
11.	Report of the Council/Board of Governors .....	xxiv
12.	Statement of Board of Governors/ Council's Responsibilities.....	xxv
13.	Report of the Independent Auditor .....	xxvii
14.	Statement of Financial Performance for The Year Ended 30 June 2024 .....	1
15.	Statement of Financial Position As At 30th June 2024 .....	2
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2024 .....	4
17.	Statement of Cash Flows For The Year Ended 30 June 2024 .....	5
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024....	6
19.	Notes to the Financial Statements.....	8
27.	Appendices .....	32

# Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

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

**2. Key Okame TVC Information and Management**

**(a) Background information**

Okame Technical and Vocational College (OTVC) is a Public Institution established by the Government of Kenya under the TVET Act in 2017. The first batch of students were admitted in September 2018.

The College is located in Teso South Constituency, Teso South Sub-County of Busia County. It is approximately five kilometres off the Mumias –Busia road from Tangakona junction or three kilometres from the Busia-Malaba route’s branch off at Adungosi market on the Adungosi-Amukura road. The College is supported by the Ministry of Education (MOE) and admits students for Artisan, Craft, Diploma and competence-based education and training (CBET) courses

**(b) Principal Activities**

The mandate of Okame TVC encompasses the following: - Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the sectors. The college’s vision is to be unrivalled regional leader in developing high quality and globally competitive technical skills.

**(c) Key Management**

The governance and management at Okame Technical and Vocational College is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Mr. Charles V. Marumbu</b>
2.	Deputy principal Finance	<b>Mrs. Irene Musumba</b>
3	Deputy principal Academics	<b>Emmanuel Sikhila</b>
4	Registrar (s)	<b>Mr. Erick Imbugwah</b>
5	Dean of students	<b>Pamela Omukaga</b>
6	Head of Finance	<b>Ms. Esther Ochomo</b>
7	Procurement Officer	<b>Ms. Marygoret Adungo</b>
8	Human Resource Officer	<b>Dancan Ikileng</b>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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**Key Okame TVC Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

- Finance, Planning and Development Committee (FPDC)
- Human Resources and Training Committee (HRTC)
- Audit and Risk Management Committee

**(f) Entity Headquarters**

Okame Technical and Vocational College (OTVC)  
P.O. Box 116-50400,  
Amukura – Adungosi Road  
Busia KENYA.

**(g) Entity Contacts**

Telephone: (+254757006681)  
E-mail: [okametechnical@gmail.com](mailto:okametechnical@gmail.com)  
Website: [www.okametvc.ac.ke](http://www.okametvc.ac.ke)

**(h) Entity Bankers**

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

National Bank of Kenya  
P.O. Box 264-50400  
Busia Kenya

Kenya Commercial Bank  
P.O. Box 116-50400  
Busia Kenya

**(i) Independent Auditors**

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



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

**(a) Principal Legal Adviser**




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

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**



**3.The Council/Board of Governors**

 <p><b>MR. DAVID OJAKAA</b>      <b>Born: 1955</b></p>	<p>Dr. David Ojaka was appointed on 5<sup>th</sup> October 2018 as the first Chairperson of the Board of Governors for Okame TVC. He holds PhD in Demography from the University of Montreal in Canada, Master of Science in Population Studies from the University of Nairobi and Bachelor of Education (B.Ed) Science, Mathematics and Geography. He is also the Managing Director and Consultant at BRIM RESEARCH Ltd.</p>
 <p><b>MS. MERCY ASOYONG</b>      <b>Born: 1986</b></p>	<p>Ms. Mercy Asoyong was appointed Board of Governors on 9<sup>th</sup> February 2022 for OKAME TVC. She holds a degree in Bsc. Law . She is the Chairperson Audit and Risk Mangement Committee.</p>



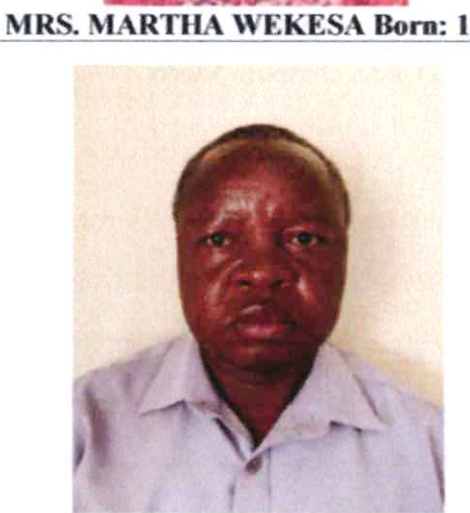
**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

 <p><b>MS. WINNIE ARIYA ATIENO BORN: 1988</b></p>	<p>Ms. Winnie Atieno Ariya was Appointed Board of Governors on 9<sup>th</sup> February 2022 for OKAME TVC. She holds a degree in Bsc.Applied Statistics with Information Technology from Maseno University. On the last stage of MSc. Epidemiology and Biostatistics. She works as Research Manager for Research Management Information Technology.</p>
 <p><b>Ms. Stella Kilwake Born:1982</b></p>	<p>Ms. Stella Kilwake was appointed Board of Governors on 9<sup>th</sup> February 2022 for OKAME TVC. She holds a degree in BSc. Commerce, Finance. She is also the Chairperson Finance and Development Committee.</p>
 <p><b>Mr. Robert Otiti Ekasiba Born: 1981</b></p>	<p>Mr. Robert Otiti Ekasiba was appointed Board of Governors on 9<sup>th</sup> February 2022 for OKAME TVC. He holds a degree in BSc. Geospatial information System from JKUAT. He is currently the Head of Survey- Department of Lands Nakuru County.</p>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

 <p>Mr. Lagat Charles    Born: 1984</p>	<p>Mr. Charles Lagat was appointed Board of Governors on 9<sup>th</sup> February 2022 for OKAME TVC. He holds a degree in BSc. Textile Engineering from Moi University Eldoret. He is the chairperson Human Resource and Training Committee</p>
 <p><b>MRS. LOICE NYONGESA</b>    Born: 1992</p>	<p>Ms. Loice Nyongesa was reappointed on 9<sup>th</sup> February 2022 as a Member of the Board of Governors for Okame TVC. She holds a Bachelor's in Law from Kenyatta University Ms. Nyongesa is currently undertaking a Post graduate Diploma at the Kenya School of Law. She is also a Sacco Administrator at the Kenya China Diaspora Sacco.</p>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**



	<p><b>Name:</b> CHARLES MARUMBU VINCENT</p> <p><b>D.O.B:</b> 1973</p> <p><b>Key Qualifications:</b> PhD BM(HR)</p> <p><b>Work Experience:</b> Over 20 years in Educational administration.</p> <p>Mr. Marumbu is the Secretary Board of Governor Okame TVC.</p>
	<p>Mrs. Martha Wekesa is the County TVET Director for Bungoma and Busia Regions. She holds a masters in Food Science and Technology, Post Graduate Diploma in Education and SLDP. She has over 25years of experience.</p>
	<p>Mr. Chrisantus Okware was appointed on 9<sup>th</sup> February 2022 as a Member of the Board of Governors for Okame TVC as the Governors appointee. He is a Public Administrator, County Government of Busia. He is a holder of Postgraduate Diploma in Education and a Bachelors in Arts – Philosophy. He has also worked as a BOM at Alupe Special School.</p>

**MR. CHARLES V. MARUMBU Born: 1973**




**MRS. MARTHA WEKESA Born: 1966**

**MR. CHRISANTUS OKWARE Born: 1968**

**4. Key Management Team**

	<p><b>Name:</b> CHARLES MARUMBU VINCENT</p>
<p><b>MR. CHARLES V. MARUMBU D.O.B: 1973</b></p>	<p><b>Key Qualifications:</b> PhD BM(HR)</p>
	<p><b>Work Experience:</b> Over 20 years in Educational administration.</p>
	<p>Mr. Marumbu is the Secretary Board of Governor Okame TVC.</p>
	<p>Mrs. Irene Musumba Mukwana was posted as the Deputy Principal (ADFP) in May 2023. She holds a Masters in Economics of Education from Masinde Muliro University. She is currently undertaking PHD (Economics of Education). Mrs. Musumba has over 21 years of experience in teaching, training and management. She has also attained a senior management course at Kenya School of Government.</p>
<p><b>MRS. IRENE MUSUMBA D.O.B 1975</b></p>	

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

	<p>Mr. Sikhila Emmanuel was deployed to Okame TVC in August 2023 as the Deputy Principal Academics. He holds a bachelor's Degree in Education (Technology) from Moi University. He has also pursued a Senior Management Course at the Kenya School of Government, Holds Andragogy certificate from SILKIRK college British Columbia(Canada), Proficiency in electrical Technology certificate from AVIC international(China) postgraduate certificate in physics from University of Cambridge (England)</p> <p>He served as Head of Electrical Department for a period of ten years at Bumbe TTI. While there, he also served as the Public Complaints officer as well as the Lead Auditor for ISO 9001:2015 certification</p>
	<p>Mr. Imbugwah Erick was deployed to Okame Technical and Vocational College in June 2019 as a mechatronic trainer and internally appointed as the registrar, he holds a bachelor of education in mechanical technology from Moi University. He also worked in Bumbe TTI as a deputy ILO Among other duties</p>
	<p>Ms. Esther Ochomo Okongo was employed to Okame Technical and Vocational College as Accountant, she is CPA finalist an ICPAK member.</p>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

 <p><b>MS. MARYGORET ADUNGO D.O.B 1995</b></p>	<p>Ms Adungo Marygorety was employed to Okame Technical and Vocational College as the procurement officer, she holds a bachelor degree in procurement and contract management from Jomo Kenyatta university of agriculture and technology. She is also a registered member of KISM.</p>
 <p><b>MR. IKILENG DUNCAN D.O.B 1996</b></p>	<p>Mr. Ikileng Duncan was employed to Okame. TVC as the Human Resource Officer in January 2023. He holds a bachelor degree in Human Resource Management and Development from Rongo University.</p>

**5. Chairman's Statement**  
**Board highlights on strategic milestones:**



During the financial year ended 30<sup>th</sup> June 2024, the Board of Governors (BOG) continued to execute its oversight and strategic roles, mostly through meetings of its three committees and those of the full board. Notable highlights during the year were the operationalization of the Food and Beverage (F&B) workshop for teaching and practical's; completion of the Jitume ICT Laboratory; recruitment process of 10 public service commission (PSC) trainers which culminated in interviews in the month of May 2024. We are delighted to note that the coming posting of these full-time trainers will not only augment the quality of training at the College. Moreover, it will provide relief to the payroll whereby the College has been paying for the extra BOG trainers.

**Training:**

For the financial year 2023/2024, the Board is happy to report that the College continued to implement its core mandate of training. Nominal enrolment was at 1,882 students during the year with 1,784 of these in session (in class), and 98 on attachment. From these, a cumulative total of 839 students sat for their national technical and business examinations during the year, and were distributed as follows: 110 in the July 2023 exams, 522 in November 2023, and 207 in March 2024.

**Constraints:**

The College continues to experience the constraints of reduced space and inadequate infrastructure in the face of an increasing student population. It is with this limitation in mind that the Board continues to explore for viable options for income generating activities (IGAs).

**Outlook:**

In the financial year 2023/2024, the College continued to mount aggressive student recruitment strategies. Coupled with the rising popularity of the College among the communities, the College envisions even higher student enrolments in the coming year (2024/2025). In addition to exploring additional sources of funding, the BoG will continue to implement its oversight role in the coming year to ensure continued pedagogical, management, and financial discipline at the College.

Signature .....  
*DR. DAVID OJAKA*

## **Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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### **6. Report of the Chief/Senior Principal**



Okame Technical and Vocational College is situated in Akadai village, Okame Location, Teso South Sub-county and Busia County. It is a public institution with registration No TVETA/PUBLIC/TVC/0032/2017. The college was mentored by Bumbe Technical Training Institute. The (5) five acre college land Registration No: South Teso /Chakol /818 and South Teso /Chakol /2543 was purchased by NG-CDF Teso South constituency. The one storey building that was constructed by GOK houses two workshops for Mechatronics Engineering, 8 classrooms, staffroom, computer laboratory, library space and administration offices. The college opened its doors to students in September 2018 with the first intake.

The college has a five (5) years Strategic plan ending in the year 2025 and a vibrant and interactive website.

### **HUMAN RESOURCE**

The college is managed by a Board of Governors. Currently there are sixty (60) trainers in the college, 36 (25 male and 11 female) deployed by the Ministry of Education and twenty four 24 (11 male and 13 female) on Board employment. The college has 18 (12 male and 6 female) support staffs employed by the Board but plans for increasing the number for efficiency to be enhanced are underway .

### **COURSES AND ENROLMENT**

The college is a Centre of Excellence in Mechatronics Engineering. Other courses include Building Technician, Automotive Technician, Dairy Farm Management, Food and Beverage Production (Culinary Arts), Public Administration, ICT Technician, Plumbing, Welding, Office Administration and Management, Hair Dressing, Beauty Therapy, Fashion Design, Social Work and Community Development, Business Management, Supply Chain Management, Human Resource Management, Accounting Technician Diploma, Electrical Engineering and Electronics Engineering at different levels. The college has been licensed by TVETA to offer more than 49 courses. The college is currently offering courses examined by TVET CDACC, NITA, KASNEB and KNEC. The college is on the path of fully implementing the CBET curriculum as we continuously face out those finalizing their course with KNEC.

The total enrolment as at June 2024 was 1882 trainees spread across the courses with over 400 graduates.

## **Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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Okame TVC has embraced Dual Training for effectiveness and Open Distance and e Learning (ODEL) method of engaging our students amidst the COVID 19 pandemic going forward. We are in the process of registering with TVETA for licensing as an RPL centre.

### **PROJECTS UNDERTAKEN**

With the support of the CDF-NG Teso South, the college has undertaken various projects namely planting 2500 assorted fruit trees, Construction of a 6-door Ventilated Improved Pit (VIP) latrine, acquisition of a 33-seater bus and Construction of ICT Jitume lab. The BOG, through internally generated income has constructed and furnished the Food and Beverage Workshop and Fashion Design Workshop.

The college also has a solar-powered borehole which was constructed by the National Government through The Lake Victoria North Water Services Board that will also provide water to the community as Corporate Social Responsibility (CSR).

### **STRENGTHS**

The college has the following strengths:

1. Citing of the college is strategic since it is the only one of its kind in the area.
2. The college is close to Busia town hence an opportunity to begin Town campus
3. There has good will from the community
4. Substantive Board of Governors in place.
5. The college has state of the art equipment in Mechatronics Technology
6. The college has highly skilled manpower who are frequently used in developing documents used at a National and International levels
7. The college has land for expansion

### **CHALLENGES**

The college is in dire need for:

1. Public Service Commission trainers to ease the burden on the BOG.
2. Hostels to attract students and clients from all over the country.
3. Development of the fields for co-curricular activities.
4. Workshops for Electrical and Electronics Engineering (Power), Mechanical Engineering (Production), Plumbing, Welding and Fabrication, Hair dressing and Beauty Therapy and Food and Beverage (Sales and Service)

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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5. Equipment and tools for technical courses i.e Electrical and Electronics Engineering (Power), Mechanical Engineering (Production), Plumbing, Welding and Fabrication, Hair dressing and Beauty Therapy, Food and Beverage (Sales and Service), Driving Course and Technical Drawing for hands on training.
6. Transportation: Double Cabin (4 x 4) and a bigger Bus for mobility and training.
7. E- library: Computers, chairs, tables, shelves for research and innovation needs.
8. Fill administrative positions for effective operations of the college.

SIGN.....    
DR. CHARLES  Date.....  Sign..... 

## Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

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### 7. Statement of Performance against Predetermined Objectives

Okame TVC has three strategic objectives within current strategic plan for the financial year 2020/2021 – 2024/2025. These strategic objectives are as follows:

#### 1. QUALITY TECHNICAL TRAINING

##### Key strategic issues:

- Quality Training;
- Delivery or methodology;
- Accessibility and relevance of training;
- Certification of the courses
- Market intelligence;
- Capacity building of trainers;
- Integration of admissions systems;
- Create a data base of trainees and establishment of Trainees' union;
- Transfer of learning and post training evaluation

#### 2. RESEARCH AND INNOVATIONS DEVELOPMENT

##### Key strategic issues:

- Institutionalizing a research culture;
- Marketing the College as a research destination;
- Dissemination of research findings;
- Public trainers research findings in Refereed Journals;
- Policy oriented research;
- Uptake of available funding for research;
- Motivation for research;
- Working paper series/ position papers;
- Contributions to GOK policy issues;
- Regional conferences on topical issues

#### 3. RESOURCE DEVELOPMENT AND MANAGEMENT

##### Key strategic issues:

- College staff retention
- College and organizational culture
- Institutionalization of a performance management system
- Manage employee relations

Okame TVC develops its annual work plans based on the above three pillars. Assessment of the board's performance against its annual work plan is done on a quarterly basis. Okame TVC achieved its performance targets set for financial year 2023/2024 for its 3 strategic pillars, as indicated in the table below:

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

Strategic Pillar	Objective	Key performance Indicator	Activities	Achievements
QUALITY TECHNICAL TRAINING	<ul style="list-style-type: none"> <li>• Quality Training;</li> <li>•Delivery or methodology;</li> <li>•Accessibility and relevance of training;</li> <li>•Certification of the courses</li> <li>•Market intelligence;</li> <li>•Capacity building of trainers;</li> <li>•Integration of admissions systems;</li> <li>•Create a data base of trainees and establishment of Trainees' union;</li> <li>•Transfer of learning and post training evaluation</li> </ul>	<p>Number of accredited programmes rolled out</p> <p>Operational platform for Peer-to-Peer learning</p>	<p>-Implement accredited training programmes Source and implement CBET programmes</p> <p>-Establish a platform for Peer-to-Peer learning -Implement Peer-to-Peer learning -Sharing of experiences from Peer-to-Peer learning Organize for industrial attachments for trainees Coordinate training of practical</p>	<p>All CBET causes mounted</p> <p>Benchmarking trips organised</p>
RESEARCH AND INNOVATIONS DEVELOPMENT	<ul style="list-style-type: none"> <li>• Institutionalizing a research culture;</li> <li>• Marketing the College as a research destination;</li> <li>• Dissemination of research findings;</li> <li>• Public trainers research findings in Refereed Journals;</li> <li>• Policy oriented research;</li> <li>• Uptake of available funding for research;</li> <li>• Motivation for research;</li> <li>• Working paper series/ position papers;</li> </ul>	<p>Operational research and innovation policy for OTVC developed</p> <p>-Operational research and innovation policy for OTVC developed</p> <p>System for Quality Assurance</p>	<p>-Develop a research and innovation policy for OTVC</p> <p>- Implement research and innovation policy for OTVC</p> <p>Develop and implement a Quality Assurance Standards Policy</p>	<p>Research and development policy is operational</p> <p>IQA policy implemented on quarterly basis</p>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

	<ul style="list-style-type: none"> <li>• Contributions to GOK policy issues; Regional conferences on topical issues</li> </ul>			
RESOURCE DEVELOPMENT AND MANAGEMENT	<ul style="list-style-type: none"> <li>• College staff retention</li> <li>• College and organizational culture</li> <li>• Institutionalization of a performance management system</li> <li>• Manage employee relations</li> </ul>	<p>Revised organization structure</p> <p>-Customer satisfaction index</p>	<p>Develop and implement functional organizational structure</p> <p>-Review and implement the service delivery charter.</p>	Human resource policy established

## **Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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### **8. Corporate Governance Statement**

Okame Technical and Vocational College seeks to contribute to the attainment of Kenya Vision 2030 Medium Plan Two (MTPII) by, among other things, enhancing corporate social responsibility through focussing on programmes and initiatives that feed back into the community. In this regard, the college organized for the drilling of a solar-powered borehole which was constructed by the National Government through the Lake Victoria North Water Services Board. This will also provide water to the community as Corporate Social Responsibility (CSR). The college bus shall also be used by the community in any case of public transport during social activities like weddings and burial ceremonies. The board and management of the College will continue to initiate and adapt to practices which ensure that quality services are extended to the community, and enhance conservation of the environment.

### **9. Management Discussion and Analysis**

Okame Technical and Vocational College received total revenues amounting to **Ksh 46,142,082**, Ksh. 29,174,235 being collection from trainees/Sponsors/Parents as college fees and **Ksh 16,768,997 from the** Ministry of education as Government grants and capitation. Resources utilised amounted to **Ksh 53,275,601** this relates to 81% of the budget for the fiscal year 2023/2024.

**10. Environmental And Sustainability Reporting Statement**

- i) Sustainability is the ability to meet our current needs without compromising the ability of future generations to meet their needs. It applies to natural, social and economic resources.

OTVC has employed the following broad areas to enhance sustainability

1. Environment

The greening of the college as mandated to the greening champion demands that all college staff plants a minimum of 10 tree seedlings every year. The principal leads students and staff in tree planting exercises every term. Other than providing a conducive environment for learning its our considered view that in future the hundreds of trees being planted today will form sources of revenue.

2. Revenue

In view of the foregoing austerity measures at the National level, exchequer releases will no longer be a quarantine. The College has put in place elaborate mechanisms to ensure that students get fees from multiple sources including Helb where we have a helb desk, NG-CDF bursaries where we have established a rapport with the local leadership. The work based learning program where we engage students in various on campus activities cannot be gain said. All these efforts have ensured that we raise sufficient resources in running the college without interfering with the college calendar.

3. Society

The college being located in rural area must embrace the local community for sustainability to be achieved. Towards this end, we continue to engage with the local political and religious leaders during our student recruitment drive to enhance ownership. Employment opportunities is a being challenge in Kenya today, since inception in 2015, OTVC has provided 30 employment opportunities to the local community. The support of the local community is a major milestone in ensuring the sustainability of the college.

**ii) Environmental performance**

The college has a zero environmental degradation policy where it engages in frequent tree planting in line with the presidential directive on greening and forest restoration campaign. The department of Computing and informatics developed a e-waste disposal guidelines which is used when disposing electronic wastes.

**iii) Market place practices**

The mandate of OTVC as per the TVET ACT 2013 is limited to training, research and innovation, towards this end marketing is basically aimed at promoting college programs on offer to increase enrolment of students through social media pages and advertisement on local FM stations.

Procurement of goods and services is guided by the procurement laws in the country which is open, transparent and competitive.

**iv) Corporate Social Responsibility**

The college has established a good working relationship with the local community, the Board commits funds to support community initiatives when called upon. In the FY 2023/2024, the college was a corporate sponsor of Busia Border Marathon.

The Principal through the Board provides sanitary towels to needy students every term.

**iii) Employee welfare**

Employee welfare is important aspect in the organization because it helps the institution attract and retain talent as well as improving employee satisfaction and improve productivity. During hiring, the institution takes into consideration all legal policies that guide the recruitment process ranging from the supreme document of the Republic of Kenya that is the Constitution to Okame Technical and Vocational College Human Resource Policies and Procedures Manual. The process takes into account the gender ratio and stakeholders are always engaged for their inputs before the completion of the hiring process. These procedures are often improved to suit the dynamics and to meet expected standards.

Improving skills, managing careers, appraisals and reward systems are very vital for the productivity of the organization and therefore the management is making deliberate immense efforts in improving skills and managing careers, appraisal and rewarding systems.

These efforts are as below;

- 1) Continuous training and development of employees. Employees have been continuously sent for training and development both externally and internally in order to enhance more skills to advance their careers.
- 2) Established mentorship programs. New employees after hiring are always subjected to mentorship in order to make them understand their job and on the importance of building their careers.
- 3) Diversity, equality and inclusivity has been enhanced in order to build a more diverse workforce.
- 4) Availability of career development plan. With the existence of a career progression document, the organization has an elaborate career development plan of all the employees.
- 5) Promotion of cross functional projects. The institution has also developed cross functional projects across departments that aid in diversification of skills.

Furthermore, the management has also ensured prompt feedback, training of head of departments among others to enhance improved appraisal and reward systems.

## Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

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### 11. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Okame TVC's affairs.

#### Principal activities

The principal activities of the College are -: Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the board, as provided for in the TVET Act.

#### Results

The results of the OTVC for the year ended June 30 2024 are set out on page 1 to page 6


#### Council/Board of Governors

The members of the Board of Governors who served during the year are shown on page vi- ix.

#### Auditors

The Auditor General is responsible for the statutory audit of the Okame TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Okame TVC for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

  
.....  
Secretary of the Board/Council  
Dr. CHARLES S. MASUMBWA  
Date: 13/5/2025

## **12. Statement of Board of Governors/ Council's Responsibilities**

Okame Technical and Vocational College is driven by its mission to be a leading TVC in provision of quality Technical and Vocational Education and Training to ensure production of competent human personnel with the requisite skills. The college shall be governed by the Board of Governors appointed by the Cabinet Secretary in the Ministry of Education.

**The functions of the board of Governors as set out under section 28 (1) of TVET Act shall include:-**

- (a) Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by this Act or any other written law

The second schedule of the TVET Act allows the CS to appoint members of the Board of Governors consisting of not less than seven and not more than nine members. The Cabinet

## Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

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Secretary Ministry of Education appointed the following to be the Chairperson and members with effect from 9<sup>th</sup> February 2022. Chairperson-Dr. David I. Ojaka, Members- Ms Winfred Winnie Atieno, Mr. Charles Lagat, Ms Nyongesa Loise, Ms. Mercy Asoyong, Mr. Robert Otiti Ekasiba and Ms. Stella Kilwake. Other members of the Board include the Regional County Director TVET MRS. Martha Wekesa, Mr. Chrisantus Okware the Governors appointee and the Principal who is the Secretary to the Board. The Board was inaugurated on 15<sup>th</sup> March 2022.

### Approval of the financial statements

The Okame TVC's financial statements were approved by the Board on 20<sup>th</sup> August 2024 and signed on its behalf by:



.....  
**DR. DAVID I OJAKAA**  
Chairperson of the Board of Governors



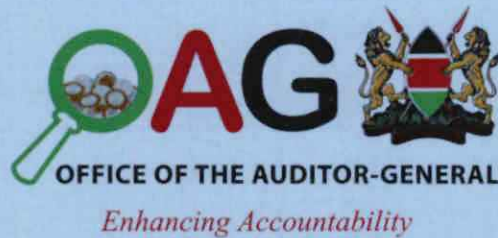
.....  
**MR. CHARLES V. MARUMBU**  
Accounting Officer/Principal

**PRINCIPAL**  
OKAME TECHNICAL & VOCATIONAL COLLEGE  
P. O. Box 116 - 50400, BUSIA

Date.....  
Sign.....

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON OKAME TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Okame Technical and Vocational College set out on pages 1 to 32, which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Okame Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Long Outstanding Receivables from Exchange Transactions**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.11,572,036 as disclosed in Note 15(a) to the financial statements. Included in the receivables balance is an amount of Kshs.7,424,953 which had been outstanding for more than one (1) year as at 30 June, 2024, as disclosed in Note 15(b) to the financial statements. Further, there were no policies on debt management and provisioning for debts older than 365 days as required by the accounting standards.

In the circumstances, the recoverability and fair valuation of the current receivables from exchange transactions balance of Kshs. 11,572,036 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.65,100,150 and Kshs.46,142,082 respectively, resulting to under-funding of Kshs.18,958,068 or 29% of the budget. Similarly, the College incurred actual expenditure of Kshs.41,565,402 against approved

budget of Kshs.62,374,611 resulting to under-expenditure of Kshs.20,809,209 or 33% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, various issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Appendix 1 to the financial statements under implementation status of Auditor-General recommendations does not include the issues raised in the audit report of the previous year as required by the reporting template prescribed by the Public Sector Accounting Standards Board. Further, no documentary evidence was provided for audit review indicating whether or not the prior year audit issues have been resolved.

In the circumstances, the issues remain unresolved.

### **Other Information**

Management is responsible for the other information set out on pages iii to xxvi which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, 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 THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-compliance with Law on Ethnic Composition**

Review of employee records maintained by Management revealed that during the year under review, the College had a total of fifty-two (52) employees out of which thirty-seven (37) or 71% were from one dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which state that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.Failure to Segregate Duties for Procurement Processes**

During the year under review, Management failed to segregate duties for crucial procurement processes such as procurement and inventory control. The Procurement Officer was responsible for procuring, receiving the goods, recording and issuance of the same. This was contrary to Regulation 24(1) of the Public Procurement and Asset

Disposal Regulations, 2020, which states that for the purpose of Section 45 of the Act and for a procuring entity to be able to make corporate decisions and for purposes of internal controls, the procuring entity shall have segregated responsibilities.

In the circumstances, the effectiveness of internal controls in respect to procurement and inventory management could not be confirmed.

## **2.Lack of Risk Management Policy**

During the year under review, the College operated without a risk management policy. The College therefore may not be able to detect and control risks that may arise. Further, the College lacked business recovery plan. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015, which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies which include fraud prevention mechanism, and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the College's risk management 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 the Board of Governors**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain 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 to cease its operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 governance and risk management and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**29 May, 2025**

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

**14. Statement of Financial Performance for The Year Ended 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	16,768,997	8,700,000
		<b>16,768,997</b>	<b>8,700,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	29,174,235	17,946,898
Sale of goods	8	198,850	288,299
<b>Revenue from Exchange transactions</b>		<b>29,373,085</b>	<b>18,235,197</b>
<b>Total Revenue</b>		<b>46,142,082</b>	<b>26,935,197</b>
<b>Expenses</b>			
Use of goods and services	9	31,019,246	16,226,059
Employee costs	10	8,222,531	7,300,193
Board /Council Expenses	11	1,630,600	1,051,140
Depreciation and amortization expense	12	11,710,199	1,723,674
Repairs and maintenance	13	693,025	147,800
<b>Total Expenses</b>		<b>53,275,601</b>	<b>26,448,866</b>
<b>Other Gains/(Losses)</b>			
Impairment loss	22	1,999,735	-
<b>Total Other Gains/(Losses)</b>		<b>(1,999,735)</b>	<b>-</b>
<b>Net Surplus/ (Deficit) for the year</b>		<b>-9,133,254</b>	<b>486,331</b>

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

*[Signature]*  
 Chairman of Council/Board  
 DR. DAVID OJAKA

Date 13/05/2025

*[Signature]*  
 Principal  
 DR. CHARLES S. MACHUMBA

Date 13/05/2025

**PRINCIPAL**  
 OKAME TECHNICAL & VOCATIONAL COLLEGE  
 P. O. Box 116 - 50400, BUSIA  
 Date..... Sign.....

*[Signature]*  
 Finance Officer  
 ESTHER OLUKIMO  
 ICPAK No ASSDC/4054  
 Date 13/05/2025

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

**15. Statement of Financial Position As At 30th June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	2,777,459	3,526,002
Current portion of receivables from exchange transactions	15	11,572,036	14,936,739
Receivables from non-exchange transactions	21	575	0
Inventories	16	77,251	0
<b>Total Current Assets</b>		<b>14,427,321</b>	<b>18,462,741</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	17	161,106,951	6,550,339
Intangible assets	18	307,097	1,049,816
<b>Total Non-Current Assets</b>		<b>161,414,018</b>	<b>7,600,155</b>
<b>Total Assets (A)</b>		<b>175,841,369</b>	<b>26,062,896</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	819,540	2,430,664
Refundable deposits from customers		-	682,270
Payments received in advance			56,935
<b>Total Current Liabilities</b>		<b>819,540</b>	<b>3,169,869</b>
<b>Total Liabilities (B)</b>		<b>819,540</b>	
<b>Net Assets (A-B)</b>		<b>175,021,829</b>	
<b>Represented By:</b>			
Reserves		2,796,450	2,796,450
Accumulated Surplus		10,963,323	20,096,577
Capital Fund		161,262,056	22,893,027
<b>Net Assets</b>		<b>175,021,829</b>	<b>26,062,896</b>

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

Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

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*Ajajalaa*

Chairman of Council/Board

DR. DAVID AJAJALAA

Date 13/05/2025

*[Signature]*

Principal

DR. HENRIETTA MARUMBA

**PRINCIPAL**  
OKAME TECHNICAL & VOCATIONAL COLLEGE  
P. O. BOX 178 - 50400, BUSIA

Date 13/05/2025

*[Signature]*

Finance Officer

ESTHER OCHONO  
ICPAK No ASSOC/4054

Date 13/05/2025

## 16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2022</b>	<b>2,796,450</b>	<b>17,609,936</b>	<b>0</b>	<b>20,406,386</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	486,331	-	486,331
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	1,723,674	-	1,723,674
<b>At June 30, 2023</b>	<b>2,796,450</b>	<b>20,096,577</b>	<b>-</b>	<b>22,893,027</b>
<b>At July 1, 2023</b>	<b>2,796,450</b>	<b>20,096,577</b>	<b>-</b>	<b>22,893,027</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(9,133,254)	-	(9,133,254)
Capital grants received during the year	-	-	161,262,056	161,262,056
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	<b>2,796,450</b>	<b>10,963,323</b>	<b>161,262,056</b>	<b>175,021,829</b>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

**17. Statement of Cash Flows For The Year Ended 30 June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	16,768,997	8,700,000
Rendering of services- fees from students	7	29,174,235	17,946,898
Sale of goods	8	198,850	288,299
<b>Total Receipts</b>		<b>46,142,082</b>	<b>26,935,197</b>
<b>Payments</b>			
Employee costs	10	8,222,531	7,300,193
Board /Council Expenses	11	1,630,600	1,051,140
Repairs and maintenance	13	693,025	147,800
Use of goods and services	9	31,019,246	16,226,059
<b>Total Payments</b>		<b>41,565,402</b>	<b>24,725,192</b>
<b>Net Cash Flows from operating activities</b>		<b>4,576,680</b>	<b>2,210,005</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	17	(2,081,935)	(4,108,261)
Increase/Decrease in payables	20	(928,854)	1,477,024
Decrease in current assets- inventory	16	(77,251)	(945,926)
Decrease in current receivables	15	(3,421,638)	946,211
Decrease in Intangible assets	18	502,185	287,998
<b>Net cash flows used in investing activities</b>		<b>(6,007,493)</b>	<b>(2,166,482)</b>
<b>Cash flows from financing activities</b>			
Increase in prepayments			56,935
Increase/Decrease from deposits		682,270	298,630
<b>Net cash flows used in financing activities</b>		<b>682,270</b>	<b>355,565</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(748,543)</b>	<b>399,088</b>
Cash and Cash equivalents at 1 July 2023	26	3,526,002	3,126,404
<b>Cash and Cash equivalents at 30 JUNE 2024</b>	26	<b>2,777,459</b>	<b>3,526,002</b>

## 18. Statement of Comparison of Budget &amp; Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	26,000,000	-	26,000,000	16,768,997	(9,231,003)	36%
Rendering of services- fees from students	38,450,150	-	38,450,150	29,174,235	(9,275,915)	24%
Sale of goods	650,000	-	650,000	198,850	(451,150)	69%
<b>Total Income</b>	<b>65,100,150</b>	-	<b>65,100,150</b>	<b>46,142,082</b>	<b>(18,958,068)</b>	<b>29%</b>
		-				
<b>Expenses</b>		-				
Use of goods and services	41,794,491	-	41,794,491	31,019,246	(10,775,245)	26%
Employee costs	16,683,120	-	16,683,120	8,222,531	(8,460,589)	51%
Board /Council Expenses	1,972,000	-	1,972,000	1,630,600	(341,400)	17%
Repairs and maintenance	1,925,000	-	1,925,000	693,025	(1,231,975)	64%
<b>Total Expenditure</b>	<b>62,374,611</b>	-	<b>62,374,611</b>	<b>41,565,402</b>	<b>(20,809,209)</b>	<b>33%</b>
		-				
<b>Surplus For the Period</b>	<b>2,725,539</b>	-	<b>2,725,539</b>	<b>4,576,680</b>	<b>(1,851,141)</b>	<b>67%</b>
<b>Capital Expenditure</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>2,081,935</b>	<b>918,065</b>	<b>31%</b>

Budget explanatory notes

- A) Revenue from GOK grants/Capitation : i) Partial quarterly Capitation funding ii) No scholarships and capitations transferred by Government for quarter four.
- B) Revenue from Production units : Production policy still under development and implementation stage.
- C) Compensation of employees: Understaffing contrary to projections and implementation of career progression in progress.
- D) Tuition expenses: Low enrolment resulting to low income from rendering of services
- E) Remuneration of Directors : Due to low funding B.O.G programmes and meetings could not run as planned.
- F) Other General expenses: Due to low income receipts from G.O.K and low enrolment, the budgeted expenditures could not be met.
- G) Capital Expenditure: Due to Partial funding through Capitation and scholarships, the College didn't implement all the budgeted Capital projects.

**19. Notes to the Financial Statements**

**1. General Information**

OTVC is established by and derives its authority and accountability from TVET Act. The OTVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The OTVC's principal activity encompasses the following: Training and developing middle level manpower for national development, advancing, transmitting and enhancing technical and entrepreneurial skills and knowledge for self-employment and the national production system, offering courses leading to the award of up to diploma certificates in TVET programmes in collaboration with other tertiary institutions and appropriate industries across the sectors.

**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 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 judgment in the process of applying the Okame TVC's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Okame TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards in the year ended 30th June 2024

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Okame TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <b><i>The above standard doe not affect the Financial statements of Okame TVC since the College has no lease currently.</i></b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <b><i>This has no impact to the College since the college does not have Non-Current Assets Held for Sale and Discontinued Operations</i></b>
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Okame TVC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**iii. Early adoption of standards**

The Okame TVC did not early adopt any new or amended standards in year 2023-

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**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 2023/2024 was approved by the Council or Board on May 2023. No Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Okame TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a 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 7 of these financial statements.

**c) Taxes**

***Current income tax***

The Okame TVC is exempt from paying taxes as per schedule **One** of the **Income Tax Act**.

***Sales tax/ Value Added Tax***

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

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

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

**d) 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 Okame TVC 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.

**e) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Okame TVC. 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 Okame TVC 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 Okame TVC 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 Okame TVC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) 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.

**g) Research and development costs**

The Okame TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Okame TVC 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.

**h) 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. The Okame TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Okame TVC and a financial liability or equity instrument of another Okame TVC. At initial recognition, the Okame TVC 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 Okame TVC 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 Okame TVC's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Okame TVC has made an irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the Okame TVC 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 Okame TVC 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.

***Financial liabilities***

***Classification***

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

**i) 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.

### **Inventories (Continued)**

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

#### **j) Provisions**

Provisions are recognized when the Okame 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 the Okame 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 Okame 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 Okame 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 Okame 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.

#### **k) 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 Okame TVC recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Okame TVC will incur in fulfilling the present obligations represented by the liability.

**l) Nature and purpose of reserves**

The Okame TVC creates and maintains reserves in terms of specific requirements. (Okame TVC to state the reserves maintained and appropriate policies adopted).

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

The Okame 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 Okame TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Okame TVC pays fixed contributions into a separate Okame TVC (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 Okame TVC regards a related party as a person or an Okame TVC with the ability to exert control individually or jointly or to exercise significant influence over the Okame 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 Okame 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 Okame 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 Okame 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 authorised 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, 2024.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Okame TVC 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 Okame TVC. 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 Okame 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**

There were no Provisions raised and managed.

**6. Transfers from other National Government entities**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	16,768,997	8,700,000.
<b>Total unconditional Grants</b>	<b>16,768,997</b>	<b>8,700,000..</b>
<b>Total Government Grants and Subsidies</b>	<b>16,768,997</b>	<b>8,700,000..</b>

**7. Rendering of Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	10,086,113	5,634,606.
Activity Fees	1,270,790	1,070,890.
Industrial Attachment Fees	957,580	1,031,730.
Examination Fees	2,384,724	834,845.
Admission fees	127,600	188,360.
Student ID	55,000	152,340.
Student Council	507,920	396,350.
Insurance	250,435	301,790
Administration cost	2,927,726	1,486,147
Electricity, water and conservancy	1,430,189	1,027,695
Repair, Maintenance and Improvements	1,253,116	643,000
Transport (LT&T)	1,931,106	1,331,170
Medical	363,240	287,650
Personal Emolument	5,552,496	3,560,325.
KUCCPS	76,200	-
<b>Total Revenue from The Rendering of Services</b>	<b>29,174,235</b>	<b>17,946,898.</b>

**8. Sale of Goods**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bus hire and other Production units	198,850	288,299.
<b>Total Revenue from Sale of Goods</b>	<b>198,850</b>	<b>288,299.</b>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

**9. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition	15,449,031	4,179,350.
Industrial attachment costs	667,677	421,120
Electricity and water	468,045	141,756.
Activity	2,004,861	1,533,945.
Administration cost	7,925,267	6,006,575.
Sewerage and Sanitation	165,478	138,705.
Student Council	438,600	597,890.
Advertising	64,500	647,800.
Bank charges	28,589	14,092.
Motor vehicle repair and maintenance	473,636	306,117
Production Unit	109,150	505,980.
Office expense	1,802,360	390,151.
Transport and local travel (L T&T).	1,391,602	1,342,578.
Medical	30,450	-
<b>Total good and services</b>	<b>31,019,246</b>	<b>16,226,059.</b>

**10. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	8,222,531	7,300,193
Employee related costs - contributions to pensions and medical aids	-	-
<b>Employee Costs</b>	<b>8,222,531</b>	<b>7,300,193</b>

**11. Board/Council Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Directors Emoluments	1,630,600	1,051,140
<b>Total</b>	<b>1,630,600</b>	<b>1,051,140</b>

**12. Depreciation and Amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	9,888,601	1,101,222
Intangible assets	1,821,598	622,452
<b>Total depreciation and amortization</b>	<b>11,710,199</b>	<b>1,723,674</b>

**13. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	693,025	147,800
<b>Total Repairs and Maintenance</b>	<b>693,025</b>	<b>147,800</b>

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

**14. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	2,777,459	3,483,372.
M-Pesa deposits	-	42,630.
<b>Total Cash and Cash Equivalents</b>	<b>2,777,459</b>	<b>3,526,002.</b>

**14 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank- Operations Account	1252776632	2,198,608.00	3,115,677.00
Kenya Commercial Bank- Tuition Account.	1252776799	503,601.00	367,695.00
National Bank- IGA Account		75,250.00	-
Mpesa			42,630.00
<b>Grand Total</b>		<b>2,777,459</b>	<b>3,526,002</b>

**15. Receivables from Exchange transactions**

**a) Current Receivables from Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	11,493,836	14,659,220.
Other Exchange Debtors	78,200	176,800.
<b>Total Current Receivables</b>	<b>11,572,036</b>	<b>14,993,674.</b>

**(b) Ageing Analysis of Receivables from Exchange transactions**

Description	2023-2024	
	Kshs	
	Current FY	% of the total
Less than 1 year	4,147,083	36%
Between 1- 2 years	5,233,741	45%
Between 2-3 years	1,516,677	13%
Over 3 years	674,535	6%
<b>Total</b>	<b>11,572,036</b>	<b>100%</b>

**16. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores- Stationeries	51,690	-
Beauty Therapy	250	-
Agriculture inputs	15,700	-
Electrical stores	-	-
Cleaning materials stores	-	-
Catering & Farm stores	9,611	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>77,251</b>	<b>-</b>

Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

17. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computer \$	Biological Assets	Plant and equipment	Other Assets (Tools)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2022</b>	0	0	0	2,728,800	202,500	0	411,150	200,850	0	3,543,300
Additions	0	3,547,608	0	176,988	0	32,000	331,441	20,224	0	4,108,261
Disposals	0	0	-	-	0	-	-	-	-	0
Transfers/Adjustment \$	0	0	0	0	0	0	-	0	0	0
<b>At 30<sup>th</sup> June 2023</b>	0	3,547,608	0	2,905,788	202,500	32,000	742,591	221,074	0	7,651,561
Additions	0	916,186	155,000	-	198,890	-	759,595	52,264	0	2,081,935
Disposals	0	-	-	-	-	-	-	-	-	-
Revaluation	2,500,000	70,887,380	4,384,500	264,776	788,810	1,698,000	67,830,314	3,808,276	9,100,000	161,262,056
<b>At 30<sup>th</sup> June 2024</b>	2,500,000	75,351,174	4,539,500	3,170,564	1,190,200	1,730,000	69,332,500	4,081,614	9,100,000	170,995,552
<b>Depreciation And Impairment</b>										
<b>At 1 Jul 2022</b>	-	-	-	510,063	88,218	-	57,040	25,107	-	680,428
Depreciation	-	-	-	324,336	14,285	-	61,635	20,538	-	420,794
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
<b>At 30 Jun 2023</b>	0	0	0	834,399	102,503	0	118,675	45,645	0	1,101,222
Depreciation	-	2,511,706	453,950	264,214	119,020	-	4,622,167	816,323	-	8,787,379
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2024</b>	-	2,511,706	453,950	1,098,613	221,523	-	4,740,842	861,968	-	9,888,601
<b>Net Book Values</b>										
<b>At 30<sup>th</sup> Jun 2023</b>	0	3,547,608	0	2,071,389	99,997	32,000	623,916	175,429	0	6,550,339
<b>At 30<sup>th</sup> Jun 2024</b>	2,500,000	72,839,468	4,085,550	2,071,951	968,677	1,730,000	64,591,658	3,219,646	9,100,000	161,106,951

[WIP is the ongoing JITUME LAB done by the NG-CDF Teso South]

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Base Mark Valuers Ltd in July 2024. These amounts were adopted in the financial statements Final statements for FY2023-2024.

**18. Intangible Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	1,049,816	1,672,268
Additions	-	-
<b>At end of the year</b>	1,049,816	1,672,268
Additions–internal development	-	-
<b>At end of the year</b>	<b>1,049,816</b>	<b>1,672,268</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	622,452	334,454
Amortization	120,267	287,999
<b>At end of the year</b>	<b>742,719</b>	<b>622,452</b>
<b>NBV</b>	<b>307,097</b>	<b>1,049,816</b>

19. Biological Assets

	2023-2024	2022-2023
	Kshs	Kshs
Cattle	32,000	32,000
Trees	1,698,000	-
<b>Total</b>	<b>1,730,000</b>	<b>32,000</b>

20. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade payables	819,540	1,748,394
Other Payables	-	682,270
<b>Total Trade and Other Payables</b>	<b>819,540</b>	<b>2,430,664</b>
<b>Ageing analysis:</b>		
	2023-2024	% of the Total
Under one year	529,540	65%
1-2 years	60000	7%
2-3 years	60000	7%
Over 3 years	170000	21%
<b>Total</b>	<b>819,540</b>	<b>100%</b>

21. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	575	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>575</b>	<b>-</b>

**22. Impairment Loss**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	1,199,735	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	<b>1,199,735</b>	<b>-</b>

**23. Financial Risk Management**

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

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

**(i) Credit risk**

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

**(ii) Liquidity risk management**

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

**(iii) Market risk**

## **Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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The Okame TVC has put in place an internal audit function to assist it in assessing the risk faced by the Okame TVC 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 Okame TVC'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 Okame TVC's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

### **iv) Capital Risk Management**

The objective of the Okame TVC's capital risk management is to safeguard the Okame TVC's ability to continue as a going concern.

### **Related Party Balances**

#### **Nature of related party relationships**

Entities and other parties related to the Okame TVC 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 Okame TVC, holding 100% of the Okame TVC's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Okame TVC, both domestic and external. Other related parties include:

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

### **24. Events After The Reporting Period**

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

### **25. Ultimate And Holding Okame TVC**

The Okame TVC is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education and Higher learning. Its ultimate parent is the Government of Kenya.

### **26. Currency**

**Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024**

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

27. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inclusion of Donated property, plant and equipment on the Financial Statements	There was inadequate funding to conduct Asset Valuation.	Resolved	-
2.	Lack of Approved Staff establishment	The Staff establishment has been developed and approved.	Resolved	

**PRINCIPAL**  
 OKAME TECHNICAL & VOCATIONAL COLLEGE  
 P. O. Box 116 - 50400, BUSIA  
 Date: ..... Sign: .....

Mr. Charles Marumbu

Principal- Okame TVC

Appendix II: Projects Implemented by Okame TVC

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Food and Beverage Workshop	4,559,227	4,463,794	100%	4,500,000	4,463,794	Fees from Trainees

Okame Technical and Vocational College Annual Report and Financial Statements for the year ended 30th June 2024

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity...MINISTRY OF EDUCATION

Name of beneficiary entity.....OKAME TECHNICAL AND VOCATIONAL COLLEGE.....


Confirmation of amounts received by Okame Technical and Vocational College as at 30 <sup>th</sup> June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
DTE/CAP 9/34 (118)	9/10/2023	2,768,500		2,768,500	Capitation
MOE/DTE/SCHO/Vol.1 (3)	22/12/2023	2,700,997.80		2,700,997.80	Scholarship
DTE/CAP9/34 (84)	18/01/2024	3,741,500		3,741,500	Capitation
DTE/CAP9/34 (84)	6/02/2024	4,476,000		4,476,000	Capitation
DTE/CAP9/34 (84)	05/06/2024	3,282,000		3,282,000	Capitation
Total		<b>16,768,997.80</b>			

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

**Head of Accounts Department - Disbursing Entity:**

Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**

Name ESTHER OCHOMO ..... Sign  ..... Date 13/05/2025