

REPUBLIC OF KENYA



Enhancing Accountability

REPORT


PARLIAMENT
OF KENYA
LIBRARY **OF**

THE AUDITOR-GENERAL

**RANGWE TECHNICAL AND VOCATIONAL
COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2023

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



RANGWE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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





2023 2023

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I. Key Entity Information and Management

(a) Background information

The institution was established under the TVET Act 2013 in the year 2019. The entity is domiciled in Kenya and does not have any other Branch. The institute is under the Ministry of Education which provides the general policy and strategic direction on Kenya's higher Education.

The Institution has since established departments as follows:

- i. Automotive
- ii. Agriculture
- iii. ICT&Business
- iv. Building&Electrical
- v. Hospitality

The 5 departments offer various programs ranging from Certificate to diploma.

(b) Principal Activities

The principal activity of Rangwe technical & vocational college is to provide high quality education through teaching, research, community service in order to produce innovative graduates who meet the demands of the labour market.

Vision

To be a global leader in providing quality technical training that promotes creativity and innovation.

Mission

To provide relevant technical skills and training that enables learners to attain competency for self-reliance.

Core Values

In her commitment to realizing her vision and mission, Rangwe Technical is guided by the following core values:

- 1) Integrity
- 2) Professionalism
- 3) Innovation
- 4) Team work
- 5) Social responsibility

(c) Key Management

Rangwe Technical day to day management is under the following key organs:

- 1) Board of Management
- 2) Management Team

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Ezekiel Omollo
2.	Deputy Principal	Mr. Sylvester Omondi
3	Deputy principal Academics	
4	Registrar (s)	Mr Beally Ogallo Onyango
5	Dean of students	Mrs Eunice Nyamaganda
6	Head of Finance	Mr. Jeremiah Ochieng

(e) Fiduciary Oversight Arrangements

- Audit and risk committee activities
- Finance and operations committee activities
- Academic committee activities

The College had three oversight Committee as can be seen in the table below

Name of the Committee	Members
Finance Infrastructure & Resource Mobilization Committee	<ol style="list-style-type: none"> 1. Mr. Elphas Omondi - Chairperson 2. Mr Simon Ukokhe Egesa - Member 3. Ms. Cynthia Ochuodho Member 4. Mr. Tom Olango -Member 5. Mr. Ezekiel Omollo - Secretary
Education Training and Research	<ol style="list-style-type: none"> 1. Mr Simon Ukokhe Egesa -Chairperson 2. Mr Evance Asungah -Member 3. Ms. Cynthia Ochuodho -Member 4. Mr. Tom Olango -Member 5. Mr. Ezekiel Omollo - Secretary
Audit Committee	<ol style="list-style-type: none"> 1. Mr Evance Asungah -Chairperson 2. Ms. Cynthia Ochuodho Member 3. Mr. Tom Olango -Member 4. Mr. John Magare Secretary

Key Entity Information and Management (Continued)

(f) Entity Headquarters

Rangwe Technical and Vocational College

P.O. Box 396 – 40300

6km of Kindubay Homabay road at Samanga Junction

HOMA BAY, KENYA

(g) Entity Contacts

Telephone: 0718035475

E-mail: rangwetechnical@gmail.com

(h) Entity Bankers

Kenya Commercial Bank

P.O. Box

Bank street Homabay town.

HOMA BAY

(i) Independent Auditors

Auditor-General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office


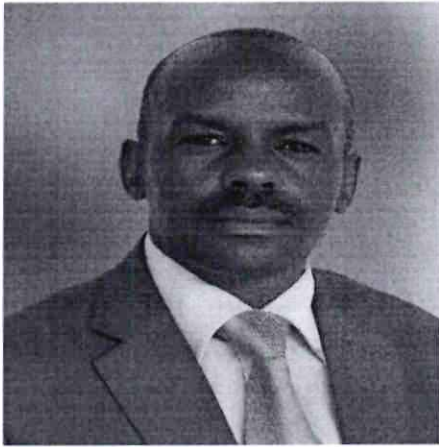
Harambee Avenue

P.O. Box 40112

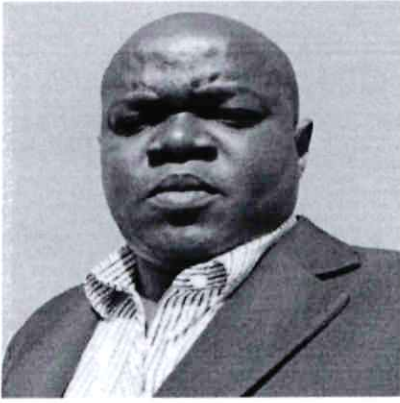

City Square 00200



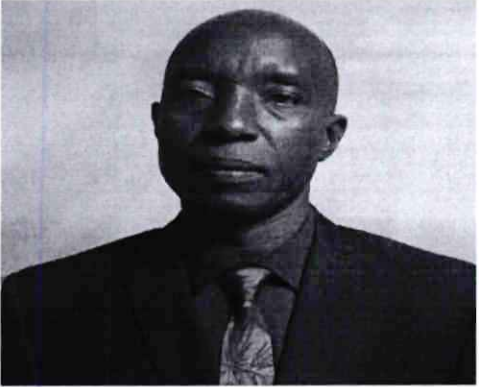
Nairobi, Kenya

II. The Board of Governors

No.	Member/ Director	Details
1.		<p>DR. BENSON ATENG Chairperson Key area of speciality- Holds a PhD, M.A and BED (First class honours) in Economics. Dr Ateng was born 3th April 1950.He worked in the World Bank for thirty years. Currently he is a senior lecturer and Academic Team Leader of the Department of Economics at the Technical University of Kenya. Dr Ateng has also served as a Chairman of the Consolidated Bank of Kenya in addition, he is a member of the Monetary Policy Committee of the central bank of Kenya. He has also won many honours and awards.</p>
2.		<p>MR. TOM OTIENO OLANG'O Alternate member Key area of speciality- Mathematics Member of Board since 2019 Mr.Olang'o was born in 1970. He works as Deputy Director of Technical and Vocational Education and Training in charge of Kisii, Nyamira, Migori and Homa Bay Counties. He is a long serving public servant with twenty-six years of experience. Previously he worked as a Graduate Teacher of mathematics by the Teachers Service Commission. He is the PS Representative in the Board of Rangwe Technical. He holds a Master of Education in curriculum Studies from Nairobi University</p>



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<p>3.</p>		<p>MR. SIMON UKOKHE EGESA Independent member Key area of speciality- Human Resource Management Member of the board since February 2023. He was born on 22nd April 1980. Currently he is the Head of HRM at United Millers Ltd. He has a wealth of experience spanning over 17 years as Human Resource Practitioner and he holds BCOM (HRM option), Master of science in HRM and currently pursuing a PhD.BA (Human Resource Management at the university of Nairobi). He is a full member of IHRM with practicing certificate</p>
<p>4.</p>		<p>CPA ASUGA N. EVANS Independent member Key area of speciality – Finance Member of the Board since February 2023. Mr Asuga was born on 25th June 1984. Currently on private consultancy on Finance. He has 16 years of experience in financial accountancy issues. Previously he worked as an accountant with the National Museums of Kenya for 12 years from 2007 to 2019.He holds a degree in bachelor of Commerce from Kisii University.</p>

<p>5.</p>		<p>MS. CYNTHIA ADHIAMBO OCHUODHO Independent member Key area of speciality - Law Member of Board since 2019. Ms. Cynthia was born on 29th June 1987. She works as SBC Kenya Limited (Pepsi Cola) Legal & Human Resource Manager. She has 10 years of experience. Previously she worked as Legal Officer in different organizations. She is an Advocate of the High Court of Kenya and holds a degree in Bachelor of Law from Moi University</p>
<p>6.</p>		<p>ENG. ELPHAS ODIWUOR OMONDI Independent member Key area of speciality – Civil Engineering/Project management. Member of the Board since 2019. Eng. Elphas was born in 1982. He works at B360 Inc. /USAID as Projects Quality Control Engineer. He has 18 years of experience. Previously he worked in different organizations in different capacities. He holds BSc. Civil Engineering from JKUAT and Master’s degree in Project Management from Atlantic International University.</p>
<p>7.</p>		<p>MR. EZEKIEL OMOLLO The Principal Key area of speciality – Analytical Chemistry Mr. Ezekiel Omollo was born 6th May 1966. He is the Principal of Rangwe Technical and Secretary to the Board. He has worked for 30 years in Technical Education He holds BEd.Sc, Higher Diploma Analytical Chemistry Dip Ed.Sc.</p>

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III. Management Team

No.	Member/ Director	Details
1.		<p>Mr. Ezekiel Omollo Bed Ed Higher Diploma Analytical Chemistry Dip Ed Sc The Principal</p>
2.		<p>Mr. Sylvester Omondi Onyango Higher Diploma in Mechanical Engineering (Automotive option) Diploma in Technical Education Deputy Principal.</p>

IV. Chairman's Statement

It is my humble privilege to present to our stakeholders the Annual Reports and Financial Statements of Rangwe Technical & Vocational College for the financial year ended 30th June, 2023. This report gives a true reflection of the performance of Rangwe Technical over the period, July, 2022 to June, 2023. The report highlights key activities Rangwe Technical carried out during the year. It also illustrates the successes and challenges the institution encountered over the period.

Notably, the Rangwe Technical and Vocational College managed to install 10,000 litres water tank and Generator for power back up. Due to aggressive outreach the college experienced an increase in student population as was observed in increase in fee collection from the previous Kshs 7,121,320 to Kshs 13,167,851, the institution intends to maintain this trajectory by intensifying outreach programs and also launching market driven courses that it will enable our graduands to remain relevant in the market.

Despite the significant successes over the period, the Rangwe Technical and Vocational College continued to face challenges including insufficient funding, inadequate infrastructure and student population. To improve its financial position, the Rangwe Technical and Vocational College has embarked on improving on its marketing strategy.

Finally, I wish to thank the Government of Kenya for the continued support as well as all the stakeholders who have contributed to the successes of the Rangwe Technical and Vocational College this far. My utmost appreciation to the Rangwe Technical and Vocational College Management Board, the entire staff and students of the College for steadfast and unrelenting effort to sustain the growth of Rangwe Technical and Vocational College.

Thank you.



DR. Benson Ateng

CHAIRPERSON OF RANGWE TECHNICAL AND VOCATIONAL COLLEGE.

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V. Report of the Principal

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30th June, 2023. This is the four time the Rangwe Technical and Vocational College is preparing its financial statements.

This has been a year of new challenges but also a year when the Rangwe Technical and Vocational College achieved significant milestones.

Human Resource Matters

On human resource matters, the Rangwe Technical and Vocational College was able to employ 5 more B.O.G teachers.

In the interest of employee development, the Rangwe Technical and Vocational College has continued to facilitate both academic and administrative staff going for conferences, workshops, trainings.

Security

To enhance security, the Rangwe Technical and Vocational College has been able to do proper fencing around the College and construct a gate.

Higher Education Funding

Increasingly, Rangwe Technical and Vocational College are finding themselves underfunded, this is not only a local trend, but a global one. While the government has continued to be the major source of funding, it is clear that the Rangwe Technical and Vocational College must strategize on how to raise additional funding.

Financial Performance Review

In the financial year 2022/2023, Rangwe Technical started the financial year with a cash balance of Kshs. 1,220,984 and received Kshs. 1,999,760 from the Government as recurrent income. The Rangwe Technical and Vocational College managed to collect Kshs. 13,603,088 from A-I-A. In total therefore, the college had Kshs 16,823,832 at its disposal. This enabled the Rangwe Technical and Vocational College to achieve several milestones including buying furniture's, generator and water tanks.



Mr. Ezekiel Omollo
PRINCIPAL



VI. Statement of Performance against Predetermined Objectives

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

The Rangwe Technical and Vocational College has Four (4) Key Result areas and 4 objectives within the current Strategic Plan for the 2021 - 2025. These strategic pillars are as follows:

1. Academic Excellence
2. Financial sustainability
3. Institutional Capacity
4. Research, Innovation and Community Service

The Rangwe Technical and Vocational College develops its annual work plans based on the above four pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2022/2023 period for its 4 strategic key result areas, as indicated in the table below

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	To produce quality and innovative graduates	Teaching monitored and evaluated	Monitor and evaluate teaching,	Carry out staff needs assessment for all departments thereby evaluating the effectiveness of teaching during the year.
Financial Sustainability	To improve financial sustainability	Number of students sponsored	Lobby for Students Sponsorship Programmes	The College lobbied for sponsorship of some students by KCB Bank during the year
Institutional Capacity	To engage, train and retain quality and competent Human Resource	Policies developed and implemented	Develop and implement policies on cross cutting issues.	HIV/AIDS policy, Alcohol and Drug Abuse Policy, gender mainstreaming policy and disability Mainstreaming Policy developed and implemented

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Research, Innovation and Community service	To Strengthen Research, Innovation and Outreach	Number of Outreach programmes implemented	Develop and implement outreach programs	Trained Five (5) artisans in the local community in welding to help solve problems in manufacturing.
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Link between Key Result Areas with Performance Contracting

To ensure appropriate linkages between implantation of Strategic Plan and PC, the Rangwe Technical and Vocational College on Annual basis develops Annual Work Plan which guide in the implementing activities for a particular financial year. The Rangwe Technical and Vocational College also ensures that PC targets are picked from Annual Work Plan and implemented during the year.

VII. Corporate Governance Statement

This section provides information on the appointment, composition, meetings, remuneration and renewal of contracts of Board.

VII.1 Appointment and Removal of Board Members

The appointment and removal of Board Members is guided by the provisions of the TVET Act, 2013. Currently, Rangwe Technical has a total of 8 board members comprising the Chairperson of Board, a representative of the Principal Secretary in the Ministry responsible for technical and vocational training and six other persons appointed on the basis of their knowledge and experience in leadership and management, Financial management, technology, industry, engineering, information communication technology, as well as the Principal of the institution who shall be the Secretary. The independent Board members and the Chairperson are appointed by the Cabinet Secretary, Ministry of Education, while the representative is seconded to the Board by his/her respective Principal Secretaries.

A member of a Board of Governors may at any time resign by giving notice in writing to the Cabinet Secretary.

The appointment of a member to a Board of Governors or to its committees shall be revoked and the member shall vacate office if the member-

- Is sentenced by a court of law to imprisonment for a term of six months or more
- Is incapacitated by physical or mental illness
- Has been absent from three consecutive meetings of the Board of Governors without leave

- Where the member is a representative, has his appointment revoked by the nominating body

Where the office of a member of a Board of Governor becomes vacant by reason other than the expiry of the period of that office, the Cabinet Secretary may, in accordance with the provisions of this Act appoint another person to replace the member.

VII.2 Composition, Board Meetings, and Conflict of Interest

The Board brings together Members from different professional backgrounds with diverse skills, competencies and complies broadly with the constitutional gender balance requirements. Conflict of Interest was declared and recorded during all the meetings, with a conflict of interest register signed by all members.

VII.3 Role of the Chairperson of the Board

The Chairperson provides leadership and governance of the Board and creates conditions for overall Board effectiveness by ensuring that all key and appropriate issues are discussed by the Board in a timely manner. He ensures that the Board plays a full and constructive part in the development and determination of the College's strategies and policies. He also ensures that the Board is supplied with timely and sufficient information to enable it discharge its duties effectively. In furtherance of the above, the Chairperson ensures adherence to good corporate governance practices and procedures, and continuously promotes the highest standards of integrity, morality and corporate governance.

VII.4 Role of the Board

The Board is committed to ensuring that ethics and integrity remain at the core of the College's operations. It recognizes that ethical management is key to the College's sustainability and is therefore, continuously putting in place practices, systems and processes to integrate ethics in all its operations.

The Board is responsible for overall strategic direction and operational guidance of the Rangwe Technical and Vocational College. In this regard, the responsibilities of the Board include:

- i. Determining the Rangwe Technical and Vocational College mission, vision, purpose and core values;
- ii. Reviewing, evaluating and approving, on a regular basis, long-term plans for the Rangwe Technical and Vocational College;
- iii. Reviewing, evaluating and approving the Rangwe Technical and Vocational College budget and financial forecasts;

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- iv. Reviewing, evaluating and approving major resource allocations and capital investments;
- v. Reviewing, evaluating and approving the operating and financial results of the Rangwe Technical and Vocational College;
- vi. Ensuring effective, accurate, timely and transparent disclosure of relevant information on the Rangwe Technical and Vocational College operations and performance;
- vii. Ensuring that effective processes and systems of risk management and internal controls are in place;
- viii. Enhancing the Rangwe Technical and Vocational College public image and ensuring engagement with stakeholders through effective communication;
- ix. Monitoring compliance with the Constitution, all applicable laws, regulations and standard; and

Reviewing, monitoring and ensuring that the Rangwe Technical and Vocational College is effectively and consistently delivering on its mandate.

VII.5 Board's Key achievements during the FY 2022/2023

- i) Approved and continually monitored the implementation of the College's Annual Operating Procurement Plans and Budget;
- ii) Signed and Implemented the College's Performance Contract with The Ministry of Education;
- iii) Reviewed and was in the process of approving different Rangwe Technical and Vocational College Policies.

VII.6 Board Membership and Attendance

The Board normally hold Full Board and Committee meetings. The Board has a total of Three Committees. The Board held a total of 3 Full Board meetings and 5 Committee meetings. Sufficient quorum was obtained and sustained during all the meetings, with each Board member registering over 95% attendance. In the year under review the attendance of the meetings is as per the table below:

Summary of Board meetings and attendance 2022/2023 FY

INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE						
S/N o.						TOTAL
Board Members						
		07/09/2022	12/04/2023			
1	Eng. Elphas O. Omondi	√	√			2
2	Ms. Immaculate Kioko	√				1
3	CPA Roselyne A. Liech	√				1
4	Mr Simon Ukokhe Egesa		√			1
5	Mr. Cynthia Ochuodho		√			1
6	Mr. Tom Otieno Olang'o	√	√			2
7	Mr Ezekiel Omollo	√	√			2
EDUCATION RESEARCH AND TRAINING COMMITTEE						
		11/07/2022	15/09/2022			
1	Mr.Caleb Miyawa	√	√			2
2	Ms. Joan Chepng'eno	√	√			2
3	MS.Cynthia A. Ochuodho	√	√			2
4	Mr.Symon Egesa					
5	Ms. Evance Asungah					
6	Mr. Tom Otieno Olang'o	√	√			2
7	Ezekiel omollo					
AUDIT COMMITTEE						
		08/07/2022				
1	CPA Roselyne A. Liech	√				1
3	MS.Cynthia A. Ochuodho	√				1
4	Mr. Tom Otieno Olang'o	√				1
5.	Mr John Magare	√				1
FULL BOARD						
		14/07/2022	09/02/2023	13/04/2023		
1	Dr. Benson Ateng	√	√	√		3
2	Eng. Elphas O. Omondi	√	√	√		3
3	Ms. Immaculate Kioko	√				1
4	Mr. Tom Otieno Olang'o	√	√	√		3
5	Mr.Caleb Miyawa	√				1

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6	Ms. Joan Chepng'eno	√				1
7	CPA Roselyne A. Liech	√				1
8	MS.Cynthia A. Ochuodho	√		√		2
9	Mr Evance Asungah		√	√		2
10	Mr.Simon Egesa		√	√		2
11	Mr Ezekiel Omollo	√	√	√		3
BOARD INDUCTION						
		21/02/2023	22/02/2023	23/02/2023	24/02/2023	
1	Dr. Benson Ateng	√	√	√	√	4
2	Eng. Elphas O. Omondi	√	√	√	√	4
3	Mr Evance Asungah	√	√	√	√	4
4	Mr.Simon Egesa	√	√	√	√	4

VII.7 Board Induction and Capacity Building

The current Board members were inducted into office in February, 2023 during which officers from Directorate of Technical Education provided the new members with an effective induction program to familiarize them with their duties and responsibilities as Board members. The Board is adequately inducted and trained on matters corporate governance, Finance and Audit, Procurement, Human Resource, Ethics and Integrity matters.

VII.8 Board Remuneration

The Board members, except for the Principal, are not paid salary. However, their remuneration includes sitting allowances whenever they attend Board meetings at the agreed rates

VII.9 Corruption Prevention

The Rangwe Technical and Vocational College has a zero tolerance on corruption

VII.10 Risk Management

Risk management is a strategic function of the College's business and is applied in the day to day operations across all departments. This ensures that all risks are managed optimally and comply with the approved policies and doctrines of good corporate governance. In the year under review, the College continued to implement the various mitigation strategies to ensure that the risk levels are minimized. The College's Risk Policy, Procedures and Registers were in the process of being implemented.

VIII. Management Discussion and Analysis

VIII.1 General Statistics

VIII.1.1 Student Enrolment

Rangwe Technical has a student population of 516 students this is due to improved infrastructure and proper marketing.

VIII.1.2 Employee Statistics

a) Employee Distribution

The Rangwe Technical and Vocational College has a total staff population of 42 comprising of 11 Teaching staff employed by the Public Service Commission, 20 BOG Teaching staff and 11 support staff.

b) Employee Cost

The Rangwe Technical and Vocational College wage bill as at 30th June, 2023 was Ksh 3,239,460. This has steadily increased with BOG teaching staff and non-teaching staff accounting for 65 % and 35% each on average.

VIII.2 Key Project that the college is implementing

There was no key project that the College undertook due to lack of sufficient fund.

VIII.3 Compliance with Statutory Requirements

The Rangwe Technical and Vocational College complied with statutory deductions.

The Rangwe Technical and Vocational College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The college's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.500 per employee per month.

VIII.4. Major potential risks facing the college

- a) Insufficient funding due to inadequate allocation and low revenue collection.
- b) Competition from colleges that offer similar programs, hence affecting attraction of students.
- c) Political risks
- d) Economic risks such as inflation

IX.Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

No.	Nature of Reform	Description	Impact
1.	Promoted effective, efficient, and flexible Teaching and Learning	The Rangwe Technical and Vocational College has: a) Trained academic staff/students on remote learning processes, b) Reviewed academic staff workloads to be commensurate with resources available, c) Reviewed rules on teaching/examinations to make them effective,	Effective teaching, efficient utilization of resources
2.	Reforms in Financial Management for Sustainability	The College has adopted realistic and economical ways in allocating and spending its financial resources by implementing the following activities: a) Enhanced fee collection through regular reminders to students and sponsors, and promote adherence to Fee Payment Policy b) Undertook vigorous marketing of the College. c) Streamline procurement of goods and services to ensure efficiency and value for money	Ability to meet the financial obligations with regards to payroll, and operation costs
3.	Enhancing environmental Sustainability	The College will enhance environmental sustainability through many approaches including: a) Enhance environmental hygiene in offices and compound b) Enhance energy management by using clean energy c) Conserve and supply clean and potable water in most parts of the College.	Improved people's health, livelihoods and lives

Environmental performance

Tree Planting

During the year, the Rangwe Technical and Vocational College planted trees within the College as it can be seen in the photo below



Sewerage and waste water disposal system at the institution;

The Rangwe Technical and Vocational College disposes sewage and waste water using septic tanks

Solid waste disposal

There are several portable and fixed dust bins distributed in various offices and at strategic external points within the College. The dustbins are emptied daily to the nearby compost heaps and burned.

Employee welfare

The Rangwe Technical and Vocational College has put in place policies that guide the hiring process of B.O.G employees. In the interest of employee development, the College has continued to facilitate both academic and administrative staff going for conferences, workshops, trainings whenever possible to improve on their skills.

The Rangwe Technical and Vocational College has put in place policy on safety and compliance with Occupational Safety and Health Act of 2007 to improve on working condition of employees.

Market place practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Rangwe TVC ensures responsible competition with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by undertaking the following practices;

Ethical procurement practices: Ethical procurement practices are acceptable norms that Rangwe TVC adopts to ensure flawless process which sets out step-by-step procedures related to the notice and advertisement of tenders, leaving little choice as to when, where, and how to advertise procurement events.

Adequate segregation of duties: Different employees in institution are responsible for specific duties and responsibilities.

Establishment of operational guidelines: In order to achieve the value for money in public spending, the institution has established well laid down operational guidelines in all of the operations being undertaken in and outside the institution.

Preparation of reports for all goods and services received: The College employed a Procurement Officer who will be dealing with preparation of reports of all the goods and services received as well as documentation of the receipt of all purchased items enabling the

institution to ensure that all goods procured have been received as per the set agreements and account for budget spending.

Risk Management in the Institution: Effective risk management practices have been adopted which involve the assessment and identification of risks in all departments of the institution.

Encouraging a range of suppliers to bid: Encouraging a range of suppliers to bid to provide goods and services to the institution to ensure that reliable suppliers who meet the required criteria are selected.

Provision of same and uniform information to all bidders: Provision of same and uniform information to bidders via standard tender documents to ensure transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

Consistency in treating and interacting with potential suppliers: For effective procurement practices Rangwe Technical maintained a consistency treatment and interaction with potential suppliers during suppliers' registration or pre-qualification.

Approval and award of contracts: Approval and award of Procurement related contracts are done by the Principal which ensures morality and accountability among all suppliers.

Preference and reservation scheme: The institution has set thirty Percent (30%) in its annual procurement plan under preference and reservation scheme for the disadvantage groups to promote fair competition.

a) Responsible Supply chain and supplier relations

Rangwe TVC maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices as follows;

Centralization of functions: Fully centralization of functions, operations within the institution provides the greatest control over public spending and improves relations with the business community by providing a single source of information for stakeholders.

Inspection of all goods and services provided: Goods, materials and services delivered are inspected in order to check for defects as well as conformation to the set specifications and standards.

Maintenance of Documentation for Multiple award: Creation and Maintenance of documents that supports the basis for tenders that involve multiple awards is crucial as contractual evidence in addressing any grievances, thereafter, enables scrutiny of decisions taken and demonstrates the application of the guiding processes.

Maintenance of security and confidentiality of information: Security and confidentiality of competitive information and documentation should be respected.

Provision of same and uniform information to all clients: Provision of same and uniform information to bidders ensures transparency and fairness in handling potential suppliers thus enabling the institution to achieve value for money.

a) Responsible marketing and advertisement

Efforts to maintain ethical marketing practices.

Members of the institution are committed to the highest ethical standards in furtherance of its mission of teaching, research and training. Our policies, procedures, and standards provide guidance for application of the ethical values stated below in our daily work as staff of the institution.

Integrity: All staff conducts themselves with integrity in dealings with and on behalf of the College.

Excellence: All staff diligently strive for excellence towards achieving the College objectives.

Accountability: All staff are accountable as individuals and as members of this institution for ethical conduct and for compliance with applicable laws and College policies and directives.

Respect: All staff respect the rights and dignity of others

b) Product stewardship

Outline efforts to safeguard consumer rights and interests.

Rangwe TVC ensure the following to safeguard consumer rights and interest;

- i) Provision of contractual information during identification of suppliers
- ii) Establishment of complain registers in all the departments
- iii) Reasonable notification to suppliers, students and other stakeholders

Corporate Social Responsibility / Community Engagements

Rangwe Technical and Vocational College Corporate Social Responsibility (CSR) programs reflect the College commitment to operate in an environmentally sustainable and socially responsible manner. The programs support the College strategic vision and reassures that its activities are carried out ethically, sustainably and for the public good. The College aim to make a significant contribution to the communities and society through research, education and a wide range of activities undertaken by staff and students.

In the FY 2022/2023, the following Corporate Social Responsibilities were undertaken:

- The Rangwe Technical and Vocational College enrolled all B.O.G employees' staff to NHIF medical Scheme.
- Also, the Rangwe Technical and Vocational College partnered with MoH to conduct 6 health outreach services in the surrounding Market and offered reproductive and HIV prevention services to over 50 community members.

X. Report of the Board of Governors

The Board members do not have a report to submit because the college was audited by the office of the audit General but an audit Report has not been received from the team.

Principal activities

The principal activity of Rangwe Technical and Vocational College continues to be provision of Technical education

Results

The results of the entity for the year ended June 30 are set out on page 1 to 7

Board of Governors

The members of the Board who served during the year are shown on page v to viii.

Auditors

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

By Order of the Board

XI. Statement of Board of Governors Responsibilities

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the Institution for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the institution, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the institution's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the institution's financial statements give a true and fair view of the state of institution's transactions during the financial year ended June 30, 2023, and of the institution's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the institution's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The institution's financial statements were approved by the Board on 25/09/2023 and signed on its behalf by:

.....
Name Dr Benson Ateng
Chairperson of the Board

.....
Name Mr. Omollo Ezekiel
Accounting Officer/Principal



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

Enhancing Accountability

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the 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 Rangwe Technical and Vocational College set out on pages 1 to 35, which comprise of the statement of financial position as

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

In my opinion, except for the effects of the 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 the Rangwe Technical and Vocational College as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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

1. Inaccuracies in the Financial Statements

1.1 Un-explained Variance Between the Statement of Financial Performance and Statement of comparison of Budget and Actual Amounts

The statement of financial performance reflects rendering of services-fees from students balance of Kshs.23,327,716, use of goods and services Kshs.9,986,972 and repair and maintenance Kshs.691,028 while the same balances are reflected as Kshs.13,167,851, Kshs.10,678,000 and Kshs. Nil amounts respectfully in the statement of comparison of budget and actual resulting to variances of Kshs.10,159,865, Kshs.691,028 and Kshs.691,028 respectfully.

1.2 Un-explained Variance Between the Statement of Financial Performance and Statement of Cashflows

Review of the financial statements revealed balances in the statement of financial performance on rendering of services-fees from students Kshs.23,327,716, Use of goods and services Kshs.9,986,972, employee costs Kshs.3,239,460 and repair and maintenance Kshs.691,028. However, the cash flows statement reflected the same balances as Kshs.13,167,851, Kshs.9,101,248, Kshs.3,424,940 and Kshs.498,908 respectfully resulting to unreconciled variance of Kshs.10,159,865, Kshs.885,724, Kshs.185,480 and Kshs.192,120 respectfully.

1.3 Un-supported Financial Statements Adjustments

Review of the amended financial statements revealed that rendering of services-fees from students was adjusted from Kshs.12,733,596 to Kshs.23,327,716, current portion of receivables from exchange transactions from Kshs.10,159,865 to Kshs.20,753,985 and accumulated surplus from Kshs.7,760,644 to Kshs.18,354,764. However, the adjusted balances were not supported with approved adjusting journals, revised ledgers or schedules, supporting documents and explanations for the adjustments.

In the circumstances, accuracy and completeness of the financial statements of for the year ended 30 June 2023 could not be confirmed.

2. Unsupported Repair and Maintenance

The statement of financial performance reflects repair and maintenance amount of Kshs.691,028. However, this balance was not supported with detailed schedules and ledgers. Further, it was not clear whether the same was factored in determination of the balance of Kshs.2,818,771 in Note 18 for trade and other payables and reported accordingly in the financial statements.

In the circumstances the accuracy and completeness of repair and maintenance of Kshs.691,028 could not be ascertained.

3. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial performance current portion of receivables from exchange transactions amount of Kshs.20,753,985. However, no detailed ageing analysis and support documents were provided for audit review. Further, Note 16b analyzing the balances was not reflected in the notes to the financial statements. In addition, there was no credit policy to clearly guide on debts recovery, the provision for bad and doubtful debts or bad debts written-off.

In the circumstances the accuracy and completeness of current portion of receivables from exchange transactions of Kshs.20,753,985 could not be ascertained.

4. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial performance reflects trade and other payables from exchange transactions balance of Kshs.2,818,771. However, no detailed aged analysis and support documents were provided for audit review.

In the circumstances the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.2,818,771 could not be ascertained.

5. Unsupported Refundable Deposits from Student – Caution Money

The statement of financial position reflects refundable deposits from student – caution money balance of Kshs.64,000. However, no detailed ageing analysis and support documents were not availed for audit review. The same had remained the same as the previous year's balance yet there were new admissions and exits in the year under review.

In the circumstances the accuracy and completeness of use of refundable deposits from student – caution money balance of Kshs.64,000 could not be ascertained.

6. Lack of Inventories Balance

The statement of financial position reflects inventory balance of Kshs.0. However, review of the financial statements confirmed that inventories for the period were not done or determined and accounted for in the financial statements. No inventories reported and it was not clear if the technical college ever did an annual stock take or inventory in the year under review and subsequent years.

In the circumstances, the accuracy and completeness of the reported balances could not be confirmed.

7. Property, Plant and Equipment

The statement of financial position, and as disclosed in Note 18 to the financial statements, reflects property, plant and equipment balance of Kshs.53,977,245. However, the following unsatisfactory matters were noted:

i. Undisclosed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.53,977,245 which, as disclosed in Note 18 to the financial statements, includes land and buildings balance of Kshs.51,191,780. However, as previously reported, examination of the assets register provided for audit and physical verification of the listed assets indicated that the College owned land of undetermined value that was not included in the assets register or disclosed in the financial statements.

ii. Land Buildings Without Ownership Documents and Value

Audit verification revealed that the College did not have a title deed for the land and ownership documents for the buildings and other assets. It was also not clear how the property, plant and equipment values were arrived at. The cost values were not supported. There was no clear depreciation policy to guide on determination of the amortization and depreciation expense.

iii. Assets Donated by the Ministry of Education

Review of accounting records revealed that the college received a number of donated assets by the Ministry of Education. However, documents from the Ministry showing historical costs of these assets or valuation reports supporting the amounts were not provided for audit verification. Consequently, the assets values have been excluded in the property plant and equipment balance of Kshs.53,977,245.

In the circumstances the accuracy and completeness of property, plant and Equipment balance of Kshs.53,977,245 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects total income budget of Kshs.22,444,240 against actual amount of Kshs.15,167,611 resulting in to unrealized income amounting to Kshs.7,276,629 or 32%.

This is an indication of unrealized targets and which may be as a result of overbudgeting. Further the total Expenditure budget amounted to Kshs.22,444,240 against actual expenditure of Kshs.14,698,461 again, resulting to under absorption of Kshs.7,745,779 or 35%, indicating that some activities and budgeted projects may not have been implemented.

There is need therefore for the college management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery as per the college mandate and provide services to the students and other stakeholders.

Key Audit Matters

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

Other matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the implementation status of Auditor-General recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed,

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

Basis for Conclusion

1. Non-Compliance with Law on Ethnic Diversity in Staffing

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

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

2. County Governor Representative in the Board of Management

Review of the Board of Governors records revealed that the composition of the Board did not include a representative of the County Governor of Homa Bay County where the college is located. This was contrary to Section 1(2)(c) of the second schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located.

In the circumstances, the 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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. Weaknesses in the Management of Fixed Asset

The audit of fixed assets revealed that management did not maintain a complete fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, value, asset codes, custodian and location among other details in respect of the assets the College owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts. Further, there was no reliable asset management system in place and asset inventory not done on regular basis, at least on annual basis and most of the assets were not tagged and asset movement's registers was not appropriately kept. Thus, such assets may easily be stolen. In addition, no assets manager was appointed or asset management committee put in place to effectively manage the College's assets.

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

2. Lack of Internal Audit Function and Audit Committee

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

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

3. Lack of a Procurement Function

The audit revealed that the College lacked a procurement officer in contravention with Section 45(1) of the Public Procurement and Assets Disposal Act, 2015 states that for the purpose of ensuring that the accounting officer's decisions are made in a systematic and structured way, an accounting officer shall establish systems and procedures to facilitate decision making for procurement and asset disposal.

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

4. Lack of an Accounting System

Review of the College's accounting system revealed that the College lacked a reliable detailed ledger capturing all transactions as the accounts are maintained in excel and

manual cash books which is prone to errors and manipulations. The double entry concept is not clear in recording the transactions. The college also lacked a reliable system or ERP in place to manage its transactions and enhance accuracy in the accounting records.

In the circumstances, the effectiveness and efficiency of the accounting data 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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

2 May, 2025

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	1,999,760	00
		1,999,760	00
Revenue from Exchange transactions			
Rendering of services- fees from students	7	23,327,716	13,009,540
Sale of goods	8	428,237	334,984
Other income	9	7,000	15,000
Revenue from Exchange transactions		23,762,953	13,359,524
Total Revenue		25,762,713	13,359,524
Expenses			
Use of goods and services	10	9,986,972	4,910,589
Employee costs	11	3,239,460	2,440,410
Board Expenses	12	781,001	576,500
Depreciation and amortization expense	13	4,317,911	147,078
Repairs and maintenance	14	691,028	372,680
Total Expenses		19,016,372	8,447,257
Net surplus for the year		6,746,341	4,912,267

(The notes set out on pages 6 to 31 form an integral part of the Annual Financial Statements).

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

.....
Dr Benson Ateng
Chairman of Board

Date 25/09/2023

.....
CPA Ochieng Jeremia
Finance Officer
ICPAK No 27059

Date 25/09/2023

.....
Mr. Omollo Ezekiel
Principal

Date 25/09/2023



RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	1,698,085	1,220,984
Current portion of receivables from exchange transactions	16(a)	20,753,985	10,544,120
		22,452,070	11,765,104
Non-Current Assets			
Property, plant, and equipment	18	53,977,245	57,075,506
		53,977,245	57,075,506
Total Assets		76,429,315	68,840,610
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	2,818,771	1,976,407
Refundable deposits from customers	20	64,000	64,000
		2,882,771	2,040,407
Total Liabilities		2,882,771	2,040,407
Net Assets		00	00
Accumulated Surplus		18,354,764	11,608,423
Capital Fund		55,191,780	55,191,780
Total Net Assets and Liabilities		76,429,315	68,840,610

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

..... 


Dr Benson Ateng
Chairman of Board

Date 25/09/2023

..... 

CPA Ochieng Jeremia
Finance Officer
ICPAK No 27059

Date 25/09/2023

..... 

Mr. Omollo Ezekiel
Principal

Date 25/09/2023

PRINCIPAL
RANGWE T.V.C.
P.O. BOX 396 - 40300, HOMABAY
 DATE..... SIGN.....

XV. Statement of Changes in Net Asset for the year ended 30 June 2023

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	00	00	3,295,200	00	3,295,200
Revaluation gain	00	-	-	-	00
Fair value adjustment on Tuition Block	-	00	-	55,191,780	55,191,780
Surplus/(deficit) for the year	-	-	3,400,956	-	3,400,956
At June 30, 2021	00	00	6,696,156	55,191,780	61,887,936
At July 1, 2021	00	00	6,696,156	55,191,780	61,887,936
Revaluation gain	00	-	-	-	00
Fair value adjustment on Tuition Block(Balance b/d)	-	00		00	00
Surplus/(deficit) for the year	-	-	4,912,267	-	4,912,267
At June 30, 2022	00	00	11,608,423	55,191,780	66,800,203
At July 1, 2023	00	00	11,608,423	55,191,780	66,800,203
Revaluation gain					00
Fair value adjustment on Tuition Block(Balance b/d)	-	00			00
Surplus/(deficit) for the year	-	-	6,746,341	-	6,746,341
At June 30, 2023			18,354,764	55,191,780	73,546,544

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

XVI Statement of Cash Flows for the year ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	1,999,760	1,500,000
Rendering of services- fees from students	7	13,167,851	7,121,320
Sale of goods	8	428,237	334,984
Other income	9	7,000	15,000
Total Receipts		15,602,848	8,971,304
Payments			
Employees Cost	11	3,424,940	2,359,450
Use of goods and services	10	9,101,248	4,610,824
Board allowance	12	781,001	576,500
Repair, Maintenance and improvement	14	498,908	352,100
Total Payments		13,806,097	7,898,874
Net Cash Flows from operating activities	22	1,796,751	1,072,430
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	(1,219,650)	(257,900)
Net cash flows used in investing activities		(1,219,650)	(257,900)
Deposits receipts	20	00	52,000
Cash flows from financing activities			52,000
Repayment of borrowings	21	(100,000)	00
Net cash flows used in financing activities		(100,000)	00
Net Increase/(Decrease) in Cash and Cash equivalents		477,101	866,530
Cash and Cash equivalents at 1 JULY 2022	15	1,220,984	354,454
Cash and Cash equivalents at 30 JUNE 2023	15	1,698,085	1,220,984

The cash flow statement is prepared using the direct method.

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

..... 

Dr Benson Ateng
Chairman of Board

Date 25/09/2023

..... 

CPA Ochieng Jeremia
Finance Officer
ICPAK No 27059

Date 25/09/2023

..... 

Mr. Omollo Ezekiel
Principal

Date 25/09/2023



RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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XVII Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	0	(00)	0	1,999,760	1,999,760	0%
Rendering of services- fees from students	22,444,240	(00)	22,444,240	13,167,851	(9,276,389)	-41%
Total Income	22,444,240	(00)	22,444,240	15,167,611	(7,276,629)	
Expenses						
Compensation of employees	5,820,000	-	5,820,000	3,239,460	2,580,540	44%
Use of goods and services	15,274,240	(00)	15,274,240	10,678,000	4,596,240	30%
Remuneration of the Board	1,350,000	(00)	1,350,000	781,001	568,999	42%
Total Expenditure	22,444,240	(00)	22,444,240	14,698,461	7,656,279	34%
Surplus For the Period	(00)	00	00)	(469,150)	(379,650)	

BUDGET EXPLANATORY NOTES

Explanation of differences between budget and actual amounts

- 1) Expected income target was not received because most of the fee received this financial year was used to recover fee arrears as per the requirement.
- 2) Under absorption of Personal Emolument was due to the fact that the College has not managed to employ all the staff as per the TVET Non-Teaching staff establishment because of lack of liquid cash.
- 3) Under absorption of Allowance for the BOG Members is due to the fact that Audit Committee started to be operational in quarter four
- 4) Use of goods and services was under absorbed due to shortfall in revenue collection.

XVIII Notes to the Financial Statements

1. General Information

Rangwe Technical is established by The Technical and Vocational Education and Training Act, 2013 No. 29 of 2013 and derives its authority and accountability from the TVET Act 2013. The institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is to provide high quality education through teaching, research, community service and nurture innovative graduates.

2. Statement of Compliance and Basis of Preparation- IPSAS 1

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies.

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

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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

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

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

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Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, 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.</p>

iii. Early adoption of standards

Rangwe Technical did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions- IPSAS 23

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

ii) Revenue from exchange transactions- IPSAS 9

Rendering of services

The College recognizes revenue from rendering of services to students (fees) by reference to the stage registration when the outcome of the transaction can be estimated reliably. Fee is therefore accrued per semester as per the approved Calendar and fee structures.

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 College.

Interest income

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

Dividends

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

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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- IPSAS 24

The original budget for FY 2021/2022 was approved by the Board on 08th July 2021.

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the College

As a result of the adoption of the accrual basis for budgeting purposes, there are no major timing differences to include in the reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes

Current income tax

The Institution is exempt from paying taxes.

d) Investment property-IPSAS 16

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

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

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

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

The College does not have any investment property

e) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the College 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

The value of land has also not been taken into consideration because the College does not have the title deed. Fixed assets have been depreciated on reducing balance method to write off the costs of the assets over their useful lives at the following rates:

Land	NIL
Building	2.5%
Plant and Equipment	12.5%
Furniture and Fittings	12.5%

The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

f) Leases – IPSAS 13

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

The College has not lease any property

g) Intangible assets - IPSAS 31

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

The college does not own any Intangible assets.

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

The College is not doing any research and so it did not incur any research and development cost in the financial year under review

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition. The College does not own any financial assets.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

j) Inventories

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. 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.

Cost is determined by the first-in, first –out (FIFO) method. Net realizable value represents the cost the entity would incur to acquire the asset on the reporting date. Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first –out (FIFO) method. Net realizable value represents the cost the Institution would incur to acquire the asset on the reporting date. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

course of operations of the Institution.

k) Provisions- IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Contingent liabilities

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. The College maintains:

- i) Capital Investment Fund: Relates to cost of the building that was constructed by the Mentor College through Government initiative.
- ii) Accumulated Surplus: This relates to surplus/deficit accrued by the College

m) Changes in accounting policies and estimates- IPSAS 3

The Institution 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- IPSAS 39

Retirement benefit plans

The College contributes to the Statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act 2013. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Ksh.500 per employee per month.

o) Foreign currency transactions - IPSAS 4

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.

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties- IPSAS 20

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

r) Service concession arrangements

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

The College does not have any Service concession arrangements.

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 staff of the institution which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

Comparative figures for the previous financial year have been used the way they appeared the previous financial year.

u) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institution'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 College 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 College. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

i. Provision for bad debt

Provisions for bad debts shall be recognized when The College has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Bad debts should only be written off on the authority of the Board. Other bad debts below this amount will only be written off by Rangwe Technical Management Board after steps have been taken to recover the debt and Rangwe Technical Management Board is satisfied that

1. All legal and other measures have been exhausted, but there is still a balance of the debt remaining and;
2. Recovery of the debt would be uneconomical on its part.

ii. Provision for doubtful debt

Management shall review provisions at each reporting date to establish and adjust where necessary changes to reflect the current best estimate.

Currently the College has not made any provisions.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Operational Grant	1,999,760	
Operational Grant Accrued	00	00
Conditional Grants		
Total Government Grants and Subsidies	1,999,760	00

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	00	00
Activity Fees	00	00
Administration cost	00	375,870
Local Transport & Travelling	00	00
Practical	00	00
Electricity, Water & Conservancy	00	00
Repair, Maintenance & Improvement	00	00
Personal Emolument	00	904,650
Student ID	109,550	21,600
Student Organization	97,125	39,650
Medical fee	224,500	67,200
Attachment	89,500	32,200
Internet (Computer fee)	59,300	12,700
KNEC	1,802,436	784,150
Admission fee	116,200	18,400
Development	00	209,000
Registration fee	75,120	00
Accrued fee	20,753,985	10,544,120
Total Revenue from The Rendering Of Services	23,327,716	13,009,540

From cash flow total revenue is Ksh 13,167,851 this includes debtors of Ksh 10,544,120 for FY
From note 7 above, the actual revenue is Sh.2,573,731 (23,327,716-20,753,985) as compared to Sh. 2,465,420 collected last year. This is an indication that of the total billings per year, the College collects an average of 17% of expected income this is because out Ksh. 30,000 per student which supposed to be paid by the Government, College received ksh 13,000.

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8. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Boarding fees	184,530	199,900
Cafeteria sales	243,707	135,084
Total Revenue from Sale of Goods	428,237	334,984

Other income amounting to Ksh. 428,237 relates to cafeteria sales and Boarding fees. This collection will offset the related expenses.

9. Other Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Income from sale of tender	7,000	15,000
Total other income	7,000	15,000

10. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Administration cost	2,247,393.20	1,186,463
Accrued Administrative cost 2021/2022	-9,800	9,800
Local Transport & Travelling	1,308,720.00	1,130,250
Tuition (S.E.S)	1,464,343.00	550,913
Accrued Tuition 2021/2022	-133,925	133,925
Accrued Tuition	789,719.00	0
Examination	1,360,470.00	535,350
Activity	604,250.00	184,450
Accrued Activity	84,400.00	0
Practical	969,385.00	515,155
Accrued Practical 2021/2022	-32,000	32,000
Electricity, Water & Conservancy	558,648.00	132,150
Accrued Development	125,000.00	175,675
Internet	63,789.00	11,598
Student ID	73,500.00	14,720
Accrued Student ID 2021/2022	-16,700.00	16,700
Accrued Student ID	39,300.00	0
Student Organization	33,050.00	11,520
Attachment	52,100.00	37,950
Medical	25,420.00	4,310
Kitchen	340,180.00	120,320
Accrued Kitchen 2021/2022	-107,340	107,340

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Accrued Kitchen	147,070.00	0
Total good and services	9,986,972.2	4,910,589

Note the actual use of goods and services for 2023 was kshs 9,101,248.20 less accrued payables for 2021/2022 kshs 299,765 plus accrued payables for 2022/2023 kshs 1,185,489 add upto kshs 9,986,972.20

11. Employee Costs

Description	2022-2023 Kshs	2021-2022 Kshs
Salaries and wages	3,424,940	2,359,450
Accrued Salaries and wages for FY 2021/2022	(240,160)	-159,200
Salaries and wages Accrued	54,680	240,160
Employee Costs	3,239,460	2,440,410

12. Board Expenses

Description	2022-2023 Kshs	2021-2022 Kshs
Other Allowances	531,500.	576,500
Other Board Expenses	249,501	00
Total	781,001	576,500

13. Depreciation and Amortization expense

Description	2022-2023 Kshs	2021-2022 Kshs
Property, plant and equipment	4,317,911	147,078
Total depreciation and amortization	4,317,911	147,078

14. Repairs and Maintenance

Description	2022-2023 Kshs	2021-2022 Kshs
Repairs and Maintenance	498,908	352,100
Accrued Repair and Maintenance 2021/2022	-20,580	20,580
Accrued Repair and Maintenance	212,700	0
Total Repairs and Maintenance	691,028	372,680

15. Cash and Cash Equivalents

Description	2022-2023 Kshs	2021-2022 Kshs
Current Account	1,678,234	1,193,398
Cash in Hand	19,851	27,586
Total Cash and Cash Equivalents	1,698,085	1,220,984

RANGWE TECHNICAL AND VOCATIONAL COLLEGE**Annual Report and Financial Statements for the year ended 30th June 2023***(The amount should agree with the closing and opening balances as included in the statement of cash flows)***15 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1265847177	1,678,234	1,193,398
Sub- Total			
Cash in Hand		19,851	27,586
Grand Total		1,698,085	1,220,984

16. Receivables from Exchange transactions**16 (a) Current Receivables from Exchange transactions**

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	20,753,985	10,544,120
Total Current Receivables	20,753,985	10,544,120

17. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Recurrent Grants*	1,999,760	00
Total Current Receivables	1,999,760	00

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

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	2.5%		12.5%			12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2020	00	00	00	00	00	00	00	00
Additions	00	00	405,000	00	00	00	845,680	1,250,680
At 30th June 2020	00	00	405,000	00	00	00	845,680	1,250,680
Additions	55,191,780	00	9,200	-	00	635,770	8,500	55,845,250
At 1 July 2021	55,191,780	00	414,200	00	00	635,770	854,180	57,095,930
Additions	0.00	00	257,900	00	00	00	00	257,900
At 30th June 2022	55,191,780	00	672,100	00	00	635,770	854,180	57,353,830
Additions	00	00	1,219,650	00	00	00	00	1,219,650
At 30th June 2023	55,191,780	00	1,891,750	00	00	635,770	854,180	58,573,480
Depreciation								
Depreciation as at 30 th June 2021	(1,379,795)	(00)	(51,775)	(00)	(00)	(79,471)	(00)	(1,511,041)
Depreciation 2021/2022	(1,345,300)	(00)	(77,541)	(00)	(00)	(69,537)	(00)	(1,626,449)
Depreciation 2022/2023	(1,311,667)	(00)	(220,304)	(00)	(00)	(60,845)	(00)	(1,592,816)
Accumulated Depreciation as at 30th June 2023	(4,036,762)	(00)	(349,620)	(00)	(00)	(209,853)	(00)	(4,596,235)
Net book values as at 30th June 2021	53,811,985	00	362,425	00	00	556,299	854,180	54,730,709
Net book values as at 30th June 2022	52,466,685	00	542,784	00	00	486,762	854,180	54,350,411

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	2.5%		12.5%			12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net book values as at 30th June 2023	51,155,018	00	1,542,130	00	00	425,917	854,180	53,977,245

Work in progress is the Temporary Hostel

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were to be identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020), but the value of land has not been given because the College does not have the title deed to the land

18 (b) Property, Plant and Equipment at Cost

The values of freehold land have not been given because the College does not have the title deed, the value of the building has been given even though it has not been handed over officially and other assets because they were donation from the Government and the College is waiting for the communication from the Government The Principal having written to them requesting for their cost. The only cost that is available in addition to Furniture and fittings and Plant and Equipment that were purchased after the College started its operation. If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated	NBV
	Kshs	Kshs	Kshs
Buildings	55,191,780	4,036,762	51,155,018
Plant And Machinery	635,770	209,853	425,917
Office Equipment, Furniture, And Fittings	1,891,750	349,620	1,542,130
Total	57,719,300	4,596,235	53,123,065

19. Trade and Other Payables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	1,398,189	320,345
Fees paid in advance	241,150	191,150
Salary deductions	54,680	240,160
Other Payables	1,124,752	1,224,752
Total Trade and Other Payables	2,818,771	1,976,407

20. Refundable Deposits from Students

Description	2022-2023	2021-2022
	Kshs	Kshs
Caution money	64,000	64,000
Total Deposits	64,000	64,000

Notes to the Financial Statements (Continued)

21. Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the period	1,224,752	1,224,752
Repayments of external borrowings during the year	(100,000)	00
Balance at end of the period	1,124,752	1,224,752

22. Cash generated from operations

	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	6,746,341	4,929,047.00
Adjusted for:		
Depreciation	4,317,911	147,078
Working Capital Adjustments		
Increase in Receivables	(10,209,865)	(4,528,270)
Increase in Payables	842,364	541,355
Increase in payments	100,000	
Net Cash Flow from Operating Activities	1,796,751	1,089,210

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

23. Financial Risk Management

The College's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The College'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 College 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 College's financial risk management objectives and policies are detailed below:

(i) Credit risk

The College 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.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

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 Board.

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

Description	Total amount Kshs	Fully performing Kshs
At 30 June 2021		
Receivables from exchange transactions	4,515,850	4,515,850
Receivables from non-exchange transactions	1,500,000	1,500,000
Bank balances	329,155	329,155
Total	6,345,005	6,345,005
At 30 June 2022		
Receivables from exchange transactions	10,544,120	10,544,120
Bank balances	1,193,398	1,193,398
Total	11,737,518	11,737,518
At 30 June 2023		
Receivables from exchange transactions	20,753,985	20,753,985
Bank balances	1,698,085	1,698,085
Total	22,452,070	22,452,070

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

22. Financial Risk Management (Continued)

(i) Credit risk (continued)

The students under the fully performing category are paying their debts as they continue learning. The credit risk associated with these receivables is minimal

The College has significant concentration of credit risk on amounts due from students.

The Board sets the College 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 College's Board, who have built an appropriate liquidity risk management framework for the management of the Institution's short, medium and long-term funding and liquidity management requirements. The College manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE**Annual Report and Financial Statements for the year ended 30th June 2023****Notes to the Financial Statements (Continued)**

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	159,200	00	00	159,200
Current Portion Of Borrowings	00	00	1,224,752	1,224,752
Total	159,200	00	1,224,752	1,383,952
At 30 June 2022				
Trade Payables	240,160	320,345		560,505
Current Portion Of Borrowings			1,224,752	1,224,752
Total	240,160	320,345	1,224,752	1,785,257
At 30 June 2023				
Trade Payables	54,680	1,398,189		1,452,869
Current Portion Of Borrowings			1,124,752	1,124,752
Total	54,680	1,398,189	1,124,752	2,577,621

22. Financial Risk Management (Continued)**(iii) Market risk**

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 College'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 College'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 College's exposure to market risks or the manner in which it manages and measures the risk.

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023
Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Retained Earnings	18,354,764	11,608,423
Capital Reserve	55,191,780	55,191,780
Total Funds	73,546,544	66,800,203

23 Related Party Balances

Nature of related party relationships

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

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

RANGWE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023
Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	1,999,760	1,500,000
b) Key Management Compensation		
Board Allowance	781,001	576,500
Total	2,780,761	2,076,500

23 Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

XIX. 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)
	.			
Undisclosed Property, Plant and Equipment	The statement of financial position reflects property, plant and equipment balance of Ksh. 57,075,506 which, as disclosed in Note 18 to the financial statements, includes land and buildings balance of Ksh. 55,191,780. However, as previously reported, examination of the assets register provided for audit and physical verification of the listed assets indicated that the college owned land and undetermined value that was not included in the assets register or disclosed in the financial statements.		Resolved	
Budget Control and Performance	The statement of comparison of budget and actual amounts reflects budgeted and actual receipts totalling to Ksh. 12,310,698 and Ksh. 2,447,020 respectively, resulting to a shortfall in revenue of Ksh. 9,863,678 or 80% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Ksh. 12,310,700 and Ksh. 8,283,399 respectively, resulting in an under expenditure of Ksh. 4,027,301 or 33% of the budget.	Delay of government submission of capitation grant leading to under expenditure	unresolved	June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unresolved prior Year Matters	In the audit report for the previous year, several issues were raised under the Report of the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, as disclosed in Appendix 1 of the financial statements on the implementation status of the Auditor General's recommendations, Management had not resolved some of the issues and no satisfactory reasons were given for not resolving the prior year matters.		resolved	
Lack of Ethnic Diversity in Staffing	Audit review on employees' records indicated that out of the thirty-six (36) employees of the college, comprising of twenty-four (24) teaching staff and twelve (12) non-teaching staff, thirty-three (33) or 92% of the establishment were from one ethnic community. This was contrary to Section 7 (1) and Section 7(2) of the National cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and ensure that not more than one third of its staff are from the same ethnic community.		resolved	
County Governor Representative In the Board of Management	Review of the Board of Governors records revealed that the composition of the Board did not include a representative to the County Governor of Homabay County where the college is located. This was contrary to Section 1 (2) (c) of the second schedule of the Technical and Vocational Education and Training Act, 2013, which provides that the membership of the Board of Governors shall comprise of a representative of the County Governor of the County within which the Institution is located.	The next board will be instituted in 2026	unresolved	June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Approved Staff Establishment and Human Resource Policy	Review of Human Resource records revealed that the College was operating without an approved staff establishment and human resource plans to ensure that appropriate systems, procedures, structures, skilled and competent staff are in place at the optimal level to deliver its mandate to the students and other stakeholders. As a result, it was not possible to confirm whether the college was operating at optimal staff levels.		resolved	
Information and Communication Technology Function and Policy	Review of the use of Information Communication Technology (ICT) indicated that the college did not have an ICT function and policy in place during the year under review.		resolved	
Approved Risk Management Policy and Framework	Review records revealed that the College had a draft risk management policy and framework and a risk register. Therefore, management may have lacked an objective means of detecting, measuring and mitigating operational and other risks faced by the College. This was in contravention of Regulation 165 (1) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and the entity develops risk management and internal control that builds robust business operations.		resolved	
Approved Strategic Plan	Review of records provided for audit revealed that the College had a draft strategic plan that was yet to be implemented. This was contrary to Section 29 (d) of the Technical and Vocational Education and Training Act, 2013, which provides that the functions of the Board of Governors shall include developing and implementing the institution's strategic plan.		resolved	

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Guidance Notes:

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