

REPUBLIC OF KENYA



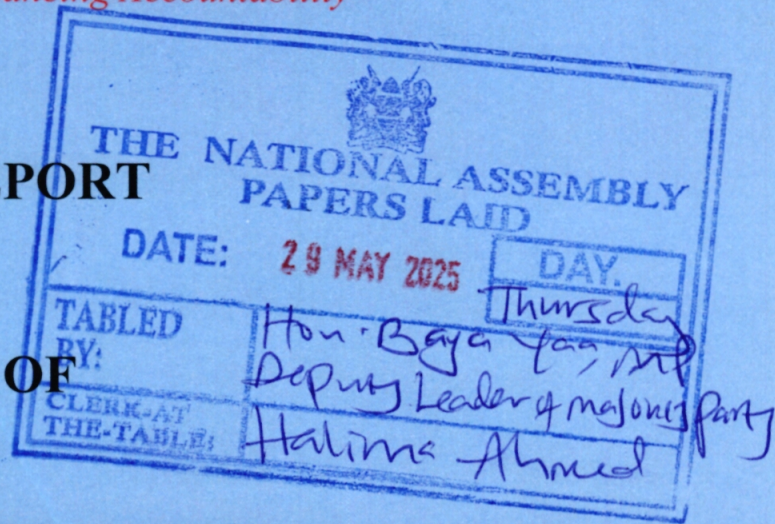
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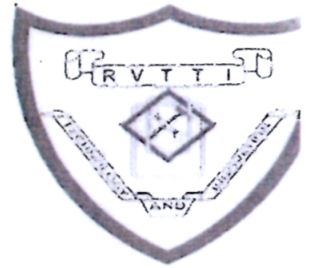
ON

**RIFT VALLEY TECHNICAL
TRAINING INSTITUTE**

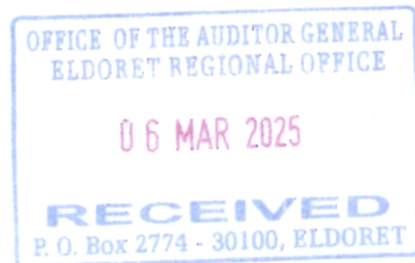
**FOR THE YEAR ENDED
30 JUNE, 2023**



Revised Template: 30th June 2023



**RIFT VALLEY TECHNICAL TRAINING INSTITUTE
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)

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
CCTV	Closed Circuit Television
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KATTI	Kenya Association of Technical Training Institutions
NACOSTI	National Commission for Science Technology and Innovation
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
RVTTI	Rift Valley Technical Training Institute
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
VAT	Value Added Tax

Rift Valley Technical Training Institute
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2. Key Entity Information and Management

(a) Background information

Rift Valley Technical Training Institute is a Technical and Vocational Education and Training (TVET) Institute located in the County of Uasin Gishu in Kenya along Eldoret-Kaptagat road; it is 3 Kilometres to the East of Eldoret town which is the administrative and commercial centre of Uasin Gishu County, in the Western part of Kenya. It was started in 1962 as a technical and trade school and over the years evolved from a Technical trade school to a Technical Secondary school, to a Technical High School (1979) and finally became a Technical Training Institute in 1986 offering Artisan, Craft, and Diploma courses.

It became an EAC Centre of Excellence in TVET in 2013, and a UNESCO-UNEVOC network member in 2016. It is ISO 9001:2015 certified as of June 2017.

The Institute is managed by a 9-member board of governors (BOG) appointed by the Cabinet Secretary for Education in accordance with the TVET Act of 2013. The day to day running of the Institute is done by the Principal (Secretary to the BOG) assisted by a management team comprising two Deputy Principals, Administration and Academics, Registrar, Dean of Students and Finance Officer (top management) and academic and no-academic heads of department (middle level management). These are supported by deputies, section heads and various implementation committees. In total there are 280 members of staff.

As a leading TVET institution, the Institute has 8 admitting departments and a number of other support departments that facilitate the smooth delivery of TVET training and research, the key mandate and products of the Institute. Since 2016, the Institute has held annual graduations at which more than 700 qualified graduates are released into the world of work. Since 2012 the Institute has held annual International research conferences where research findings in TVET are presented and suitable ones published in an Institute owned peer refereed international journal. The first publication was the KJ-TVET – done up to the 3rd volume. The current publication is the Africa Journal of TVET (Afri-TVET) which is currently in its 3rd Volume as at 2018. Since 2016, the institute has run annual innovation awards open to all TVET students in East Africa.

The Institute is Registered and licensed by TVETA with a training capacity of 5200 students. It has over 60 tuition rooms 5 computer labs and over 20 workshops and laboratories for various trades. A spacious library (940 m² floor space) with more than 10,000 books, journals and other literature complete with an E-section of 40 computers provides a rich reference resource for training and research.

(b) Principal Activities

The principal activities of the Rift Valley Technical Training Institute are:

- (a) To offer Quality Technical, and Vocational Education and Training
- (b) Introduce, review and alter programs so as to provide and promote lifelong education and training.
- (c) Contribute to industrial and technological development in Kenya through Competence Based Education and Training (CBET)
- (d) Promote and participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic social, cultural, scientific and technological development.

- (e) Advance knowledge and its practical application by research and the dissemination of outcomes of research by various means and the commercial exploitation of research results.

Vision

To be an international centre of excellence in
Technical Training and Research.

Mission

To train competent and innovative manpower in technical and vocational disciplines to meet the changing needs of industry and society.

Core Values

The guiding values to which the institution has committed itself pivot around the tenets of good governance and include:

Responsiveness

Versatility

Teamwork

Transparency

Integrity

(c) Key management

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

- Board of Governors
- Principal
- Other senior management staff

(d) Fiduciary management

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

No.	Designation	Name
1.	Principal	Loice Kutoh
2.	Deputy Principal Administration	Florah Mossop
3.	Deputy Principal Academics	Tom Oswago
4.	Registrar	John Kikwai
5	Dean of students	Stephen Kemboi
6	Head of Finance(Ag)	James K Kosgei
7	Head of Procurement	Charles Koech

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(e) Fiduciary oversight arrangements

Board of Governors Committees

S/No	Name of committee	Chairman	Members
1.	Audit & Risk	Eng. Benjamin Mumia	a) Mr. Benard Isalambo b) Mrs. Susan Sang c) Internal Auditor
2.	Infrastructure ,Education and Research	Mr. Robert Bungei	a) Mr. Edward Kasaya b) Mrs. Dorothy Owiro c)The Principal d)The Deputy Principal Academics e) Mr. Bernard Islambo
3	Operations/Finance/HR and Resource mobilization	Mrs. Dorothy Owiro	a) Mr. Richard Kipkemboi b) Mr. Isaac Keror c)The Principal d) The Deputy Principal Administration d) Finance Officer

The Audit, Risk and Compliance Committee provide oversight on the Institute financial statements and through the Annual review of the financial statement of the Institute, providing oversight on the internal controls and Risk Management. The Office of the Auditor General conducts independent review of the Institute annually. The reports of the Auditor General are submitted to the National Assembly through the Public Investments Committee (P.I.C), which provides the overall fiduciary oversight on the operations of the Institute.

Regular audit and financial and progress reports are provided to development partners who have provided funds to the Institute. This is to ensure financial probity on the utilization of funds in the Institute.

The Finance, Administration and Infrastructure Committee reviews the Institute Quarterly and Annual Financial Statements before they are submitted to the Ministry of Education and National Treasury.

The Institute Board provides fiduciary oversight on the financial operations of the Institution through the Finance, Administration and Infrastructure Committee and the Audit, Risk and Compliance Committee.

(f) Rift Valley Technical Training Institute Address

P.O. Box 244 - 30100
Kaptagat Road opposite KCC
Eldoret, Kenya

(g) Entity Contacts

Telephone: (254)704244244
E-mail: info@rvti.ac.ke
Website: www.rvti.ac.ke

(h) Entity Bankers

- Kenya Commercial Bank
Eldoret West Bank
P. O Box 5197 – 30100
ELDORET
- Absa Bank
P.O. Box 22 - 30100
ELDORET
- Standard Chartered Bank
Eldoret Branch
P. O Box 30003 – 00100
ELDORET
- SBM Bank
Eldoret Branch
P.O BOX 34886 – 00100

(i) Independent Auditors

Auditor – General
Office of the 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

Rift Valley Technical Training Institute

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3. The Board of Governors

RVTTI Members of The Board Of Governors

No.	Member/ Director	Details
1.	 <p>Eng. Prof. David K. Some Chairman Board of Governors PhD. Agricultural Engineering</p>	<p>Date of birth - 1956 Ph.D. Agricultural Engineering, University of Newcastle-upon Tyne, U.K. M.Sc. Agricultural Process Engineering, Canfield University, U.K. B.Sc. (Hons), Agricultural Engineering, University of Newcastle-upon Tyne, U.K. Post Graduate Diploma Certified Fundraising Executive, Indiana University, USA Associate Professor, University of Eldoret, Department of Agricultural & Bio systems Engineering. CEO, Commission for University Education. Chairman, Task force on HEST Sector Chairman, Inter Universities Board for East Africa (IUCEA). Board Member, Association of Commonwealth Universities (ACU). Vice Chancellor, Moi University. Director, Kenya Reinsurance Corporation. Chairman & Senior Lecturer, University of Nairobi. Executive board member</p>
2.	 <p>Eng. Benjamin Mumia Wamukoya Member Board of Governors B.Tech-Civil and Structural Engineering</p>	<p>Date of birth - 1984 Chairperson Audit and Risk Committee B.TECH – Civil and Structural Engineering (Moi University) Dip. Project Management (Moi University) Has a world of experience as a Design and Projects Engineer. Executive board member</p>

3.



Mr. Edward Kasaya
Member Board of Governors
Msc. In Social Policy and Planning

Date of birth – 1959

Member: Operation, Finance, HR. and resource Mobilization

(M.Sc) in social policy and planning. London School of Economics and political Science (University of London) L.S.E)

Master’s Degree (M.Sc) in Demography/population studies. London School of Economic and political Science (University of London) (L.S.E).

(B.Ed) Arts, University of Nairobi

He is the Principal Consultant of Rurad Consultants and the Proprietor of Nangeni Motors Bazaar and Garage.

Chairman, Constituency Aids Control Committee (CACC) Webuye East. A member of Population Association of Kenya, America and Royal Population Association of United Kingdom.

Executive board member

4.



Dorothy A. Owiro
Member Board of Governors

MBA, B.COM, Dip. HRM

Date of birth – 1959

chairperson Operation, Finance, HR. and resource Mobilization

MBA, B.COM, Dip. HRM

Director Administration and Logistics, Vihiga International College of skills and a partner, Maisha Caterers Eldoret and Precious Events Mbale.

Long standing experience cutting across several counties as an Administrator

Executive board member

5.



Susan Jelagat Korir
Member Board of Governors
Bsc. Computer Science

Date of birth – 1980

Member: Audit & risk Committee

BSc. Computer Science



Digital Learning Program Training Supervisor (Moi University).



An experienced ICT trainer having trained in several institutions of higher learning.

ISO 9001:2015 and ISO IEC 27001:2013 auditor.

Independent board member

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<p>6.</p>	 <p>Mr. Robert K. Bungei Member Board of Governors Bachelor of Engineering (Civil and Structural)</p>	<p>Date of birth - 1983 Chairperson: Infrastructure, Education and Research committee</p> <p>Bachelor of Engineering (Civil and Structural Engineering). Currently working as, the Assistant Chief Engineer in charge of Civil Works and Utilities and also as a Clerk of works in Rivatex East Africa Ltd in modernization project which entails both Civil & Installation works within the Factory.</p> <p>Independent board member</p>
<p>7.</p>	 <p>Mr. Richard Kipkemboi Member Board of Governors MBA (Sociology)</p>	<p>Date of birth - 1967</p> <p>MBA (Sociology). BA (Sociology) Lecturer - Moi University, Department of History, Political Science and Public Administration.</p> <p>Member operations, finance, HR. and Resource mobilization committee.</p> <p>Independent board member</p>
<p>8.</p>	 <p>Mr. Bernard Isalambo Member Board of Governors Msc. Entrepreneurship</p>	<p>Date of birth - 1965</p> <p>Master of Science in Entrepreneurship. Jomo Kenyatta University of Agriculture and Technology. Bachelor of Psychology, University of Nairobi. Diploma of Education, Siriba College Trainer of Trainer (TOT), Professional Trainers Association of Kenya. Post-Graduate Certificate in Strategic Leadership, Kenya School of Government. Has vast experience in TVET management.</p> <p>Member audit & Risk committee. Independent board member</p>

9.	 <p data-bbox="167 616 622 750">Mrs. Loice Kutoh Member Board of Governors Principal/Secretary to the Board B.Ed. (Science)</p>	<p data-bbox="694 100 957 145">Date of birth - 1967</p> <p data-bbox="694 179 1460 257">Bachelor of Education Science, Diploma in Administration Trainer- TVET institutions.</p> <p data-bbox="694 257 1396 291">Wide experience in management of TVET institutions</p> <p data-bbox="694 291 1332 324">Not a member of Institute of certified secretaries.</p>
10.	 <p data-bbox="151 1220 654 1366">Mr. Kipruto Keror Member Board Of Governors Isaac Masters in Development Studies</p>	<p data-bbox="686 761 949 795">Date of birth - 1971</p> <p data-bbox="678 828 1532 940">PHD on-going in Environmental Economics at University of Eldoret, M.Phil in Development studies, B.Ed. Economics and Geography (hons).</p> <p data-bbox="678 940 1532 1086">Currently working as, a lecturer in School of Human Resource Management, University of Eldoret and the School's representative of Quality Assurance. Also working as coordinator School of human resource town campus.</p> <p data-bbox="678 1086 1532 1164">Is experienced and update on the contemporary issues in Education, development, environment and related issues.</p> <p data-bbox="678 1198 1109 1232">Member audit & Risk committee.</p> <p data-bbox="678 1232 1037 1265">Independent board member</p>

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 4. Key Management Team

Principal



Mrs. Loice Kutoh
 B.Ed. (Science)

Principal/Secretary to the board

Deputy Principal Administration



Florah Mossop
 B.Ed. Business Management
 Kampala International University

In charge of Administration and Finance

Deputy Principal Academics



Tom Oswago
 Bsc(Mechanical Engineering) (JKUAT)

In charge of all Academic activities including teaching staff

Registrar



John Kikwai
 M.Ed (Mechanical & Automotive Engineering – Moi University)
 B.Ed (Technology Education – Moi University)

In charge of academic activities and programmes

Dean Students

In Charge of Students Affairs



Stephen Kemboi
B.Ed (Science)

ACTING HEAD OF FINANCE



James Kosgei
MBA Accounting (Moi University), BBM Accounting
(Moi University), CPA(K)

In charge of institute financial/non-financial matters.

Head of Procurement



Charles Koech
MCom. (Gwalior University- India), Dip. Supply Chain
Mgt

In charge of all supplies and procurement processes

Rift Valley Technical Training Institute

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5. Chairman's Statement

It is with immense pride and gratitude that as Rift Valley Technical Training Institute we reflect upon the remarkable achievements and progress we have made during FY 2022/2023. Our commitment to excellence in education and competency development has borne fruit, and we continue to advance our institution mission. The RVTTI Board would like to thank all stakeholders and partners for their continued support during the fiscal year.

The Board is delighted to report that Rift Valley Technical Training Institute has experienced a significant increase enrollment during the FY 2022/2023, with our student body now standing at 9,500. This phenomenal growth demonstrates the trust that students and their families have placed in our institution. It also reaffirms our dedications to providing accessible, relevant, and high-quality technical education to broader range individuals, contributing to the socio-economic development of our community and the nation at large.

One of our standout accomplishments this year has been the successful completion of Virtual Learning Centre. This modern facility enhances our capacity to provide a conducive online learning environment for our students. This infrastructure investment reinforces our commitment to provision of quality education and training and sets a benchmark for the TVET sector.

In accordance with this development, Rift Valley Technical Training Institute has expanded its program offerings to meet the evolving needs of our students and the job marketing an increasingly digital economy, the Institute is committed to supporting the trainees in acquisition of digital skills that will make them ready to harness job opportunities in the virtual world. This informs the decision by the Board to embrace the Jitume program which is a bundled program that will take care of the main challenges facing the youth regarding taking advantage of digital opportunities. This initiative will go a long way in addressing the challenges ranging from access to digital devices and internet (connectivity, training, and knowledge as well as opportunities that can result in decent and dignified income).

Harmonious co-existence with our neighboring community for increased security is at the heart of our Corporate Social Responsibility. The Institute has undertaken projects that will make it gain the all-important social capital and enhance relations with the surrounding communities.

As we continue to grow and evolve, we remain steadfast in our dedication to fostering a culture of innovation, research, and community engagement. Rift Valley Technical Training Institute is

Rift Valley Technical Training Institute

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committed to meeting the evolving needs of our students and the industry, as well as contributing to the development of a skilled and empowered workforce.

The year has seen the Institute undertake infrastructure improvement projects aimed at the improving the quality of training. During the year under review, the holistic approach to delivery of TVET has been at the core of our operations. The Institute has invested heavily in co-curricular and recreational activities. This saw the Institute participate in the regional drama and film festivals and managed to have several items proceed to the national drama and film festivals. Further, we continue to facilitate our trainees to participate in Athletics at KATTI National events.

The Board extends its heartfelt appreciation to our dedicated management, teaching and essential staff, whose hard work and commitment has been instrumental in achieving these remarkable milestones. I thank our students for choosing Rift Valley Technical Training Institute as their institution of choice. As we embark on the journey into the next fiscal year, I am confident that with our collective effort and unwavering dedication, Rift Valley Technical Training Institute will continue to shine as a beacon of excellence in technical and vocational education.

Eng. Prof. David K. Some



Chairman, Board of Governors
Rift Valley Technical Training Institute

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6. Report of the Principal

As a technical institute, RVTTI is well-placed to provide adequate and relevant knowledge to its graduates, enabling them to contribute towards the attainment of our country's Vision 2030 strategic objectives and supporting the drive to realize the objectives of the National Government's "Big Four Agenda."

In furtherance of our mandate, we have committed ourselves to consistently and regularly review, improve, and consolidate our academic programs in several ways that ensure their competitiveness in terms of quality and relevance in varied job markets and industries. With the guidance of the governing board, we have set up structures and policies aimed at guiding the institution in the right strategic direction. We have attained and complied with ISO 9001-2015 certifications and are at the forefront of ensuring that financial resources are utilized efficiently and effectively for optimum output.

Key Activities and Achievements

1. **Solar-Powered Borehole:** The completion of our solar-powered borehole has been a tremendous milestone, providing a reliable and sustainable water supply for the institution. This project underscores our commitment to sustainable practices and reducing our environmental footprint.
2. **Staff Car Park:** The development of the staff car park has been successfully executed, offering a convenient and secure parking area for our dedicated staff members. This has significantly enhanced the daily operations and morale within our institution.
3. **Dairy Animal Purchase:** We have purchased eight dairy animals, which has significantly boosted our dairy production capabilities. This initiative not only enhances our agricultural output but also provides enriched learning experiences for our students involved in agricultural studies.
4. **Virtual Learning Center:** The institute has undertaken the completion of a virtual learning center, which will provide advanced digital learning opportunities and expand our reach to a wider student population.
5. **Perimeter Wall Construction:** The construction of a perimeter wall has been completed, ensuring enhanced security and safety for our students, staff, and facilities.

Financial Performance

During the year ended 30 June 2023, the Rift Valley Technical Training Institute was mainly funded through government capitation and internally generated revenue (fees from students and other income) amounting to Kshs.383,781,372. The recurrent expenditure amounted to Kshs. 342,171,812. Therefore, the institute closed the year ended 30 June 2023 with a surplus of 41, 609,560. The surplus is attributed to the prudent spending measures and controls put in place.

Challenges and Way Forward

Despite the numerous challenges brought about by economic constraints, the Rift Valley Technical Institute has continued to discharge its mandate of training, research, and outreach. To enhance our visibility, performance, and competitiveness in the tertiary education sector, especially in the face of stiff competition, RVTTI requires substantial support from the national government and other stakeholders during this crucial transitional stage to becoming a National Institute. We will continue to appeal for such support in the coming years.

Acknowledgments

On behalf of the Rift Valley Technical Training Institute Board of Governors and the entire management, I take this opportunity to thank the National Government for its unequivocal support during the financial year under review. I also appreciate the financial and material support from our collaborators, partners, and friends during the year ended 30 June 2023. It is because of this cooperation with the National Government through the Ministry of Education, other stakeholders, and the guidance of the governing board, steered by the able chairman of the board, as well as the mutual cooperation of the management team, all staff, and our students that we ended the financial year within an environment of teamwork, peace, and stability. I wish to register my gratitude to all.

I look forward to their continued support in the new financial year 2023/2024 and the subsequent years ahead.



.....
Mrs. Loice Kutoh
Principal/Secretary BOG

Rift Valley Technical Training Institute
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7. Statement of Performance against Predetermined Objectives

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

The institute has 11 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

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

The institute develops its annual work plans based on the above 11 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2022/2023 for its 11 strategic pillars, as indicated in the table diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Curriculum implementation and development	To increase and diversify number of courses offered in RVTTI	Number of courses offered Number of accredited and licensed courses	Acquire approved course syllabi Obtain accreditation and licensing from legal and regulatory bodies Promote flexible and blended learning Introduce virtual learning	Syllabic available Accreditation status up to date Blended learning on going. Virtual Learning Centre completed
Pillar 2: Facilities & infrastructure	To upgrade the institute facilities and infrastructure	Number of renovations and expanded facilities maintenance reports	Renovate existing facilities Improve the existing pathways	Drawing classroom constructed and Equipped
Pillar 3: Human resource	To recruit, upgrade and maintain qualified staff	Number of qualified staff recruited Review terms and conditions of service Number of staff appraised	Conduct competitive recruitment of non-teaching staff Review terms and conditions of service Appraise staff annually	qualified staff recruited and appraised

<p>Pillar 4: Enrolment and tracer studies</p>	<p>To optimise student enrolment</p>	<p>Carrying capacity report Evidence of marketing enrolment statistics Number of online courses</p>	<p>Monitor the optimum capacity per course Carry out continuous marketing to maintain visibility Increase the enrolment by 500 students annually to achieve student population of 7500 by 2023 Commence online courses and progressively enrol 300 students per year to have a student population of 1500 on online training by the end of the Year</p>	<p>How has this been done? For example enrolment. Done</p>
<p>Pillar 5: Resource mobilization</p>	<p>To identify secure and manage financial resources efficiently and effectively</p>	<p>Audit reports Accounts statement Progress reports</p>	<p>Lobby National and county governments for additional funds Expansion of income generating activities Lobby for funding from international Donors partners and industry</p>	<p>Uasin Gishu county sponsored 36 students Dairy project introduced</p>
<p>Pillar 6: Linkages, partnerships and networking</p>	<p>To strengthen and enlarge linkages with strategic partners nationally and internationally</p>	<p>Number of established linkages</p>	<p>Establish partnerships with industrial organizations to explore ways of putting into use technologies or innovations that have been developed Establish linkages with research institutes to conduct joint research in various fields Liaising with industry to provide attachment and internships for students</p>	<p>Several MOU signed with industry players. Example Uasin gishu county and Toyota Foundation</p>
<p>Pillar 7: Governance</p>	<p>To maintain and continually improve principles of good governance</p>	<p>Adaptive structure adopted and personnel deployed Job descriptions and Job evaluations established</p>	<p>Review organizational structure to make it responsive to the emerging trends. Develop job descriptions and job specifications Make appointments of staff on merit Conduct job evaluations Sensitize staff on issues of administration</p>	<p>Done. For example were job descriptions developed?</p>
<p>Pillar 8: Student</p>	<p>To enhance the students</p>	<p>Number of playing fields</p>	<p>Upgrading of the playing fields</p>	<p>New rugby and hockey fields</p>

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welfare	training experience	Number of indoor sports facilities New bus purchased	Increase number of indoor sport facilities Purchase of a third 62 seater bus	introduced
Pillar 9: Research, innovation and development	To enhance research over the planned Year	Funding agreements Number of funding agencies identified Number of research awards	Liaise with NACOSTI for research Identify potential external funding agencies	RVTTI 10 th International conference held (22 nd - 24 th Sept 2022)
Pillar 10: ICT integration	To integrate ICT in management and teaching-learning	Audit reports Number of computers Range of application software Number and quality of CCTV Camera points	Conduct a systems audit of existing ICT infrastructure Acquisition and installation of requisite hardware Acquisition development and application of supportive software Expand and improve on existing CCTV network Expand internet bandwidth based on usage and demand Expand wi-fi coverage to the entire institute compound	Computers acquired and several CCTV installed.
Pillar 11: Education and sustainable development	Managing the campus to strengthen operational sustainability mechanisms	Reports on sustainability practices Number of green spaces created and maintained	Identify spaces or activities that contribute to deterioration /unsustainable use of the environment Determine ways to transform spaces into green spaces or activities into green practices Develop sustainability plan for newly created green spaces and practices Deploy materials and services that help maintain these green spaces and practices Develop a monitoring and assessment scheme to measure improvements	Solar water heaters in main kitchen Solar street lights installed More than 1000 trees planted in the institution and 2000 trees planted in Ngeria TVC

8. Corporate Governance Statement

RVTTI Board is committed to the values and principles of good corporate governance. Good corporate governance requires that the Board of Governors must govern the Corporation with integrity and enterprise in a manner which entrenches and enhances the mandate it has under TVET Act to operate

The Board of Governors are given appropriate information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day to day business to the Principal and Top management. The Board nonetheless retains oversight responsibility for establishing and maintaining the control of financial, operational and compliance issues. The Board of Management of RVTTI regard corporate governance as vital to the successes of the Institute and are unreservedly committed to ensuring that good corporate governance is practiced so that RVTTI remains a sustainable and viable institution for providing Quality education services.

Composition of the Board

The current board consists of 9 members drawn from the professional bodies, resident communities and Representative from the County Government of Uasin Gishu. Their nominations are ratified during the Annual Board meeting for a three-year term renewable once. The Chairman of the Board is appointed during the Board first meeting after the annual meeting. New members joining the board are inducted on Institute's operations and also trained adequately to enable them execute their mandate effectively.

Not less than seven and not more than nine members are appointed by the Cabinet Secretary (MOE) after wider consultation from strategic partners and individuals who share the same value, commitments and have an interest to work with TV ET institutions.

A chairperson or member is replaced upon missing to attend 3 consecutive Board meetings, resignation, when is of unsound mind, bankrupt or with integrity issues or if the Board does not perform its oversight roll effectively.

Board Diversity

The Board is constituted by members who have a good mix of skills, experience and competencies in various fields such as ICT, Finance, Human Resource, Business, and Engineering. The Institute Quality mandate is to provide quality technical Education. The Institute has two (2) female board members out of nine (9) and therefore meets the constitutional threshold of being gender balance.

Roles and Responsibilities of Board of Governors

The roles and responsibilities of members are outlined in the Institute's Board Charter.

OPERATIONAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

Board attendance

Best practice requires that every Board member attends a minimum of 75% of all Board meetings. The full Board of Directors meets at least four times a year as per the guidelines of Board Charter. Special Board meetings are held to deliberate on emerging issues. The decisions of the Board are collective.

MEMBER	DATE OF APPOINTMENT	POSITION	COMMITTEE FY 2022/2023												
			ARC		IERC		OFHRMC				FULL BOARD MEETING				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Eng. Prof David Some	10/07/2020	Chairman													
Eng. Benjamin Mumia	10/07/2020	Member	✓												
Mr. Edward Kasaya	10/07/2020	Member		✓											
Dorothy Owiro	10/07/2020	Member		✓	✓										
Susan Jelagat Korir	10/07/2020	Member		✓	✓										
Mr. Robert k. Bungei	10/07/2020	Member	✓												
Mr. Richard Kipkemboi	10/07/2020	Member		✓											
Mr. Benard Isalambo	10/07/2020	Member					✓								
Isaac Kipruto Keror	15/12/2020	Governor's Representative	✓						✓						

KEY

- ✓ - Attendance of meeting
- X - Not in attendance
- ARC - Audit & Risk Committee
- IERC - Infrastructure Education & Research Committee
- OFHRMC - Operations Finance/Human Resource and Resource Mobilization

Conflict of interest and declaration of interest

In compliance with TVET Act No. 29 of 2013 second schedule article 15, the Board shall declare conflict of interest:

1. If a member is directly or indirectly Interested in any contract, proposed contract or other matter before a Board and is present at a meeting of the Board at which the contract, proposed contract (other matter is the subject of consideration, he/she shall, at the meeting and as soon as reasonable practicable after the commencement thereof, disclose the fact and shall not take part in 30th June 2023 consideration or discussion of, or vote on, any questions with respect to the contract or other matter, be counted in the quorum of the meeting during consideration of the matter.
2. A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting which it is made.
3. A member of the Board who contravenes subparagraph (1) commits an offence and shall be liable stipulated in the Act.

Board Remuneration

Board members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, remuneration should include base pay, attendance and travel allowances.

Ethics and conduct as well as governance audit

The Board adheres to good corporate governance by embracing the following principles:

- i. To observe high standards of ethical and moral behaviour;
- ii. To act in the best interests of the organization;
- iii. To remunerate and promote fairly and responsibly;
- iv. To recognize the legitimate interests of all stakeholders; and
- v. To ensure that the organization acts as a good corporate citizen.

Board Charter

RVTTI has a Board Charter. It outlines powers and responsibilities of the Board and its members, appointment, remuneration, terms of the Board members, conduct of meetings, Committee terms of reference, conflict of interest among others.

The Rift Valley Technical Training Institute is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board of Governors and management accountability and helps build public trust in the institute.

The Board of Governors is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, Science and Technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board of Governors serves as the ultimate decision making body of the institute, except for those matters reserved to or shared with the Government of Kenya. The Board of Governors selects and oversees the members of senior management, who are charged by the Board of Governors with conducting the business of the institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

The Board of Governors has established Corporate Governance Guidelines which provide a framework for the effective governance of the institute. The guidelines address matters such as the Governing Board Vision and Mission, overall strategy, members' responsibilities, Board of Governors committee structure, recommendation of the Principal, Over-sighting the performance and evaluation of management. The Board of Governors regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The Institute's corporate governance materials, including the Corporate Governance Guidelines, the Institute's legal order, the terms and reference for each Board of Governors committee, the institute's Codes of Business Conduct, information about how to report concerns about the institute and the institute's public policy engagement and technological contributions policy, can be accessed by visiting the institute's website: www.rvti.ac.ke.

9. Management Discussion and Analysis

Operational and Financial Performance

Rift Valley Technical Training Institute realized total revenue of Ksh. 383,781,372 from exchange and non-exchange transactions. Expenditure for the same Year stood at Kshs.342,171,812. Therefore, the institute managed to close the Year with a surplus of Kshs.41, 609,560.

RVTTI promotes and facilitates Quality education in technical training in Kenya this mandate has continued to be delivered in the year. RVTTI is in a strong cash flow position capable of meeting its obligations as they fall due. The entity's operational and financial performance during the entity's operational and financial performance was as follows;

Statement of Financial Performance

Total Income- Ksh 383,781,372

Total Expenditure- Kshs 342,171,812

Statement of Financial Position as at 30th June 2023

Total Assets - Kshs. 2,786,664,575

a) Current Assets - Kshs. 288,008,182

b) Non-Current Assets -Kshs. 2,498,656,393

Total Liabilities — Kshs. 25,500,988

Statement of Cash flow net increase in cash and cash equivalent was Kshs. (60,956,389)

Cash and Cash equivalent as at 30th June 2023 was Kshs. 60,685,298

Cash and Cash equivalent as at 1st July 2022 Kshs. 121,641,687

Compliance with statutory requirements

The RVTTI fully complies with the statutory requirements as follows;

PAYE

Income Tax Act 1973, Laws of Kenya, allows employees to deduct and remit monthly income tax for all employees and be remitted to the paymaster general on or before the 9th day of the Following month. The Institute has complied with the deadline for remission.

NSSF

The NSSF Act, 2013, Laws of Kenya, requires employers to deduct and remit NSSF deductions every month and remit the same on or before 9th of the following month. The Institute has been remitting the deductions to NSSF on time.

NHIF

NHIF Act, 1988, Laws of Kenya, requires the employer to deduct the NHIF dues and remit the same on or before the 9th of the following month. The Institute has complied with the NHIF Act.

HELB

HELB Act 1995, Laws of Kenya, requires employers to deduct from the wages or remuneration of the loanees(s) the amount of any loan as instructed by the board and submit within 9 days after the end of each month. The Institute implements HELB loans as required and submits the same within the stipulated 9 days after the end of each month.

**Rift Valley Technical Training Institute
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Key projects being implemented

The virtual Learning Center is the major project being implemented at RVTTI, the project is funded by the GoK and RVTTI.

Also we have projects funded by the GoK but supervised by RVTTI Board of governors under mentorship programs. In this financial Year ended 30 June 2023 the institute is supervising Ngeria TTI which is still on going.

The Institute is exposed to the risk of partial remittance of Capitation by the Government

Material arrears in statutory/financial obligations

Currently The Institute does not have any loan default, has pending bills of Kshs. 14,712,469 including trade and other payables, the Institute does not have tax default, outstanding staff and pension obligation/actuarial deficit.

Financial probity and serious governance issues

There are no issues of financial improbity reported by any board committee or by external auditors. There are no governance issues and no undisclosed conflicts of interest at the Board or top management of the Institute.

10. Environmental and Sustainability Reporting Statement

The Rift Valley Technical Training Institute strategy for social responsibility includes a commitment to pursue change across the following priority areas:

i. Sustainability Strategy and Profile

There is a growing concern to protect and preserve the environment. The world all over is finding ways to reduce on pollution and disposal of waste. Greening is the new norm and the exercise may have an impact on the institution. The Institute aspires to become an International Centre of Excellence in Technical Training and Research. The question of environmental sustainability is well captured under the institution strategic plan. The plans outline how the institution will implement, monitor sand evaluate the sustainability strategy engaged in environmental performance, employee welfare, market practices and corporate social responsibility.

ii. Environmental Performance

This is addressed under Environment and utilities that encompass sustainability initiatives that directly impact the Institute's operations, efficiency, and overall effectiveness.

Key Result Area (KRA)	Strategic Objective	Activities
1. Manage and strengthen operational sustainability mechanisms.	To ensure sustainability and environmental Responsibility	<ol style="list-style-type: none"> 1. Facilitate proper wastes disposal 2. Ensure proper drainage 3. Harvest rain water 4. Use biogas 5. Replace the asbestos roof 6. Explore use of biodegradable materials 7. Explore use of renewable energy 8. Plant more trees to act as carbon sinks 9. Design buildings going aerial

		<ul style="list-style-type: none"> 10. Design structures that are low energy consumers in cooling and lighting 11. Enhance regular cleaning of the environment 12. Develop and display environmental vision statement 13. Carry out proper landscaping 14. Develop a monitoring and assessment scheme to measure improvements
2. Integrating sustainability into the existing curriculum and training	To ensure sustainability and environmental Responsibility	<ul style="list-style-type: none"> 1. Use digital learning (go paperless) 2. Capacity building of trainers on environmentally friendly training 3. Efficient use of resources
3. Adoption of sustainability in research philosophies, content, ethos and standards.	To ensure sustainability and environmental Responsibility	<ul style="list-style-type: none"> 1. Research on sustainable energy technologies and production such as use of Bio-gas, Solar 2. Research on energy efficiency on existing buildings 3. Research on climate friendly transportation such as electrification and bio-fuels 4. Research on sustainable food production, agriculture and forestry
4. Embedding sustainability into all aspects of the institution	To ensure sustainability and environmental Responsibility	<ul style="list-style-type: none"> 1. Use of biodegradable products 2. Discourage use of items made from non-renewable resources and chemicals which are harmful to the environment 3. Encourage use of recycled paper 4. Design contests on environmental conservation and reward best performance.

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period Ended 30th June 2023

iii. Employee Welfare

The institute has put in place mechanism of providing conducive working environment for employees as provided for in the human resources policy in place. The policy provides guidelines and standards for the prevention and protection of employees against accidents and occupational hazards arising at the work place. It also provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted during and outside the course of work. It further provides for guidance, Counseling, and putting in place measures for the management of HIV/AIDS at the workplace and the rehabilitation of employees who may be facing challenges of drugs and substance abuse. The policy identifies incentive structures that recognize and motivate outstanding performance. A talent acquisition plan will be executed to ensure we have the right individuals in key roles. This includes recruitment, onboarding, and orientation processes. Ongoing training and professional development programs will be offered to our staff to enhance their skills, competencies, and adaptability. Employee engagement and retention strategies will be implemented to maintain a motivated and committed workforce.

iv. Marketplace Practices

The institution has a robust mechanism of addressing market place practices associated with its mandate as provided by the TIVET Act of 2013.

Key Elements of the Coordination Framework:

- **Communication protocols:** clear guidelines for communication and reporting channels to ensure that information flows efficiently among teams and stakeholders.
- **Collaborative platforms:** implementation of technology and platforms that facilitate collaboration and data sharing.
- **Conflict resolution mechanisms:** procedures for addressing conflicts or disputes among teams or individuals involved in the strategic plan.
- **Regular review meetings:** scheduled meetings for reviewing progress, addressing challenges, and making necessary adjustments.
- **Feedback loops:** establishing mechanisms for gathering feedback from all levels of the organization to identify areas for improvement.

v. Corporate Social Responsibility

The institute has a vibrant corporate social responsibility as identified in Key Result Area (KRA 24)

KRA	Strategic Objective	Activities
Engage industries, enterprise and wider community in IGP	To ensure sustainability and environmental Responsibility	<ol style="list-style-type: none"> 1. Identify potential partners with shared goals 2. Encourage sustainable lifestyle: Gender equality, promotion of culture of peace, non-violent global citizenship and appreciation of cultural diversity 3. Working with the locals and organizations to improve environment through tree planting. 4. Sponsor environment days 5. Participate in environment oriented CSR

11. Report of the Board of Governors

The Board of Governors submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Rift Valley Technical Training Institute's affairs.

Principal activities

The principal activities of the Rift Valley Technical Training Institute are:

- (a) To offer Quality Technical, and Vocational Education and Training
- (b) Introduce, review and alter programs so as to provide and promote lifelong education and training
- (c) Contribute to industrial and technological development in Kenya through Competence Based Education and Training (CBET)
- (d) Promote and participate in technological innovation and in the discovery, transmission and enhancement of knowledge for economic social, cultural, scientific and technological development
- (e) Advance knowledge and its practical application by research and the dissemination of outcomes of research by various means and the commercial exploitation of research results

Results

The results of the institute for the Year ended June 30, 2023 are set out on page 1-7

Board of Governors

The members of the board of governors who served during the year are shown on page vi-ix. During the year 2022/2023 there were no resignations and no appointments of board of governors. see board attendance schedule in the year.

Auditors

Bik & Associates Certified Public Accountants were nominated by the Auditor General to carry out the audit of Rift Valley Technical Training Institute for the year ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an Auditor to audit on her behalf.

By Order of the Board of Governors.



Principal BoG Secretary

Date:

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

12. Statement of Board of Governors/ Board's Responsibilities

Public Finance Management Act 2012 Section 81(1), and section 29 of the schedule 2 of the Technical and Vocational Education and Training Act 2013 requires the Board of Governors to prepare financial statement in respect of the Institute, which gives a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that Year.

The Board of Governors is responsible for the preparation and presentation of the Institute's financial statements which give a true and fair view of the state of affairs of the institute for and as at the end of the year ended on 30 June, 2023. This responsibility includes:

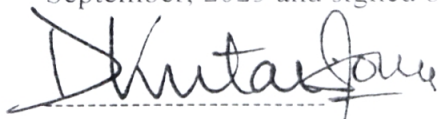
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting Year.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatement, whether due to error or fraud.
- (iv) Safeguarding the assets of the Institute
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board of Governors accept responsibility for the Institute'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 Institute's financial statements give a true and fair view of the state of Institute's transactions during the Year ended June 30, 2023, and of the Institute's financial position as at that date. The Board of governors further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute'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 Institute will not remain as going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute's Annual financial statements were approved by the Board of Governors on 26, September, 2023 and signed on its behalf by:



Eng. Prof. David K. Some
Chairman, Board of Governors



Loice Kutoh
Principal/Secretary BOG

REPUBLIC OF KENYA



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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON RIFT VALLEY TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Rift Valley Technical Training Institute set out on pages 1 to 58, which comprise the statement of financial position as at 30 June, 2023

Report of the Auditor-General on Rift Valley Technical Training Institute for the year ended 30 June, 2023

and the statement of financial performance, statement of changes in equity, 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 BIK 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rift Valley Technical Training Institute 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 Public Finance Management Act, 2012 and Technical and Vocational Education and Training Act No. 29 of 2013.

Basis for Qualified Opinion

1. Unsupported and Unrecorded Biological Assets

The statement of financial position reflects biological assets valued at Kshs.1,819,400 with an opening balance of Kshs.1,200,000. However, no reconciliation movement showing the opening balance, additions and disposals as additional notes has been included in the financial statements nor has the movement been supported. Further, the biological assets as disclosed in Note 34 to the financial statements excluded trees of unknown value.

In the circumstances, the accuracy and completeness of the biological assets balance of Kshs.1,819,400 could not be confirmed.

2. Unsupported Issuance of Repair and Maintenance Materials

Included in the repair and maintenance balance of Kshs.51,241,411 and as reflected in Note 18 to the financial statements is an expenditure of Kshs.5,652,012 incurred in respect of purchase of materials. However, documents in support of this expenditure were not provided for audit review.

In the circumstances, the accuracy and validity of the repairs and maintenance amount of Kshs.51,241,411 could not be confirmed.

3. Unapproved Over Expenditure

The statement of comparison of budget and actual amounts reflects budgeted repairs and maintenance expenses of Kshs.19,000,000. However, the actual expenditure as disclosed in Note 18 of the financial statements was Kshs.38,383,251 resulting to unapproved over expenditure of Kshs.19,383,251. No approval for the over expenditure was provided for audit review.

In the circumstances, the validity of the over expenditure of Kshs.19,383,251 could not be confirmed.

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

Key Audit Matters

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

Other Matters

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.633,202,000 and actual on a comparable basis of Kshs.383,781,372 resulting to an under-funding of Kshs.249,420,628 or 39% of the budget. Similarly, the College incurred an expenditure of Kshs.342,171,812 against an approved budget of Kshs.629,250,000 resulting to an under-expenditure of Kshs.287,078,188 or 46% of the budget.

Further, the recurrent capitation was budgeted at Kshs.300,000,000. However, the actual amount released by the Ministry was Kshs.108,011,000 which translated to only 36% of the budget. It was also noted that the budget was submitted to the parent ministry on 04 February, 2022 which was beyond the deadline of 31 January, 2022.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal controls, Risk Management and Governance. However, the issues remained unresolved contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding.

My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information set out on page ii to xxviii which comprise of Key Information and Management, The Board of Governors, Key Management Team, Chairman's statement, Report of Principal, Statement of performance against pre-determined objectives, corporate governance statement, Management discussion and analysis, Environmental and sustainability reporting statement, Report of the board of governors and Statement of board of governors/board's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Adherence to Regional Balance Requirement

Review of personnel records provided for audit revealed that the Institute had a total of two hundred and ninety (290) employees whereby two hundred and seven (207) or 71%, were from the dominant ethnic community contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008, which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to Register Trainers with Technical and Vocational Education Training Authority

A review of personnel records provided for audit revealed that the Institute had a total of two hundred (200) trainers. Out of this number, sixty-eight (68) were not registered with Technical and Vocational Education Training Authority contrary to Section 23 of Technical and Vocational Education and Training Act No. 29 of 2013 which states that any person who is not registered at the commencement of this Act shall comply with this Act within six months from the date of such commencement.

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

3. Annual Procurement Plan

An examination of the annual procurement plan of Kshs.370,795,280 revealed that it was not prepared in the format provided by the Public Procurement and Asset Disposal Regulations 2020. Further, the following information was missing:

- (i) A detailed breakdown of the goods, works, or services required.
- (ii) An indication and justification whether it shall be procured within a single-year period or under a multi-year arrangement.
- (iii) An indication of which items may be aggregated for procurement as a single package or for procurement through any applicable arrangements for common-user items.

This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

4. Failure to Observe One Third Rule of Employee Basic Pay

Review of payroll records during the year revealed that the Institute paid gross salaries of Kshs.65,598,067. This was part of the total employee costs of Kshs.85,212,984 as disclosed in Note 15 of the financial statements. However, it was established that ten (10) employees earned net pay of Kshs.66,771 which was below a third of their basic pay of Kshs.75,917 contrary to third schedule of Employment Act Cap. 226 which states that the employer shall pay not less than one third of each such wages either into a local bank account nominated by the employee or to a person in Kenya nominated by the employee.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Employee Costs Paid Outside the Payroll

The statement of financial performance reflects an amount of Kshs.85,212,984 as employee costs. This comprised of Kshs.65,598,067 (77%) being analyzed gross salaries and Kshs.19,614,917 (23%) as other employee related costs which included payments to contracted staff, loan repayments and other emoluments paid outside the main payroll.

Payment of employee related costs outside main payroll could affect efficient monitoring of payroll costs.

2. Implementation and Integration of the Management Information System

The Institute has an information system which is web based. While most modules were integrated and working such as the students' invoicing, students' receipts, students' payments, examinations, revenue, catering and procurement, other modules including the payments and invoices, human resources and payroll, library, garage and dispensary were yet to be integrated and implemented.

Failure to implement and integrate all the modules compromises data integrity and efficiency of operations within the Institute.

3. Insurance of the Institute's Assets

The statement of financial position reflects total net book value of the Institute's non-current assets of Kshs.2,498,656,393. However, out of this, only the automotive engineering workshop valued at Kshs.8,305,000 (insured for Kshs.4,000,000) and motor vehicles valued at Kshs.22,072,500 were insured. All the other assets comprising of computers, furniture, biological assets and equipment excluding land valued at Kshs.928,278.893 were not insured contrary to Regulation 139(1) of the Public Finance

Management Regulations 2015 which states that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets including putting preventative mechanisms in place to eliminate theft, security threats, losses, wastage and misuse.

In the circumstances, the safety of Institute's assets was at risk and compensation in case of loss could not be guaranteed.

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

Responsibilities of Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to continue as a going concern, disclosing as applicable, matters related to going concern and using the applicable 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 April, 2025

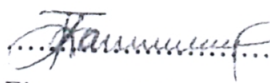
Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023
14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023 Kshs	2021-2022 Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	5	108,011,000	200,347,500
Grants from donors and development partners	6	-	-
Transfers from other levels of government	7	-	-
Public contributions and donations	8	-	-
		108,011,000	200,347,500
Revenue from Exchange transactions			
Rendering of services- fees from students	9	255,713,033	338,570,323
Sale of goods	10	1,800,737	-
Rental revenue from facilities and equipment	11	726,500	724,400
Finance income	12	-	-
Miscellaneous income	13	17,530,102	16,021,639
		275,770,372	355,316,362
Total Revenue		383,781,372	555,663,862
Expenses			
Use of goods and services	14	175,288,962	295,521,881
Employee costs	15	85,212,984	76,839,017
Board Expenses	16	4,166,496	3,831,950
Depreciation and amortization expense	17	18,008,602	27,726,292
Repairs and maintenance	18	51,241,411	143,333,460
Contracted services	19	8,253,357	7,153,628
Grants and subsidies	20	-	-
Finance costs	21	-	-
		342,171,812	554,406,228
Other Gains/(Losses)			
Gain on sale of assets	22	-	-
Gain/ Loss on fair value of investments	23	-	-
Impairment loss	24	-	-
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		41,609,560	1,257,634

(The notes set out on pages 8 to 61 form an integral part of the Annual Financial Statements).

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


.....
Chairman of Board


.....
Finance Officer
ICPAK No 23282


.....
Principal

Date

Date

Date

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

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	25	60,685,298	121,641,687
Current portion of receivables from exchange transactions	26(a)	226,822,687	227,198,342
Receivables from non-exchange transactions	27	-	-
Inventories	29	500,197	532,245
Investments in financial assets		-	-
Total Current Assets		288,008,182	349,372,274
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	31	2,486,236,993	1,744,742,870
Intangible assets	32	10,600,000	-
Investment property	33	-	-
Biological Assets	34	1,819,400	1,200,000
Total Non-Current Assets		2,498,656,393	1,745,942,870
Total Assets		2,786,664,575	2,095,315,144
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	14,712,469	20,264,464
Refundable deposits from customers	36	3,108,000	4,284,097
Current provisions	37	-	-
Finance lease obligation	38	-	-
Deferred income	39	-	-
Employee benefit obligation	40	-	-
Payments received in advance	41	7,680,519	80,995,848
Current portion of borrowings		-	-
Social Benefits	-	-	-
Total Current Liabilities		25,500,988	105,544,409
Non-Current Liabilities			
Finance lease obligation	38	-	-
Deferred income	39	-	-
Non-Current Employee Benefit Obligation	40	-	-
Non-Current Provisions	42	-	-
Non- Current Borrowings	43	-	-

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

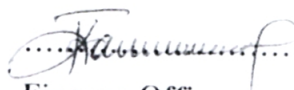
Description	Notes	2022-2023 Kshs	2021-2022 Kshs
Service Concession Liability	44	-	-
Social benefits	45	-	-
Total non- current liabilities		-	-
Total Liabilities		25,500,988	105,544,409
Net Assets		2,761,163,587	1,989,770,735
Revaluation Reserves		786,281,168	56,497,876
Accumulated Surplus		223,128,669	181,519,109
Capital Fund		1,751,753,750	1,751,753,750
Total Net Assets And Liabilities		2,761,163,587	1,989,770,735

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



Chairman of Board

Date



Finance Officer

ICPAK No 23282

Date



Principal

Date

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period Ended 30th June 2023

16. Statement of Changes in Net Asset for the Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grant Fund	Total
At July 1, 2021	56,497,876	180,261,475	1,751,753,750	1,988,513,101
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,257,634	-	1,257,634
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-
At June 30, 2022	56,497,876	181,519,109	1,751,753,750	1,989,770,735
At July 1, 2022	56,497,876	181,519,109	1,751,753,750	1,989,770,735
Revaluation gain	729,783,292	-	-	729,783,292
Surplus (deficit) for the year	-	41,609,560	-	41,609,560
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-
At June 30, 2023	786,281,168	223,128,669	1,751,753,750	2,761,163,587

**Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023**

17. 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 National Government entities		108,011,000	200,347,500
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		180,450,119	338,570,323
Sale of goods		1,800,737	-
Rental revenue from facilities and equipment		726,500	724,400
Finance income		-	-
Miscellaneous income		17,530,102	16,021,639
Total Receipts		308,518,458	555,663,862
Payments			
Use of goods and services		177,089,698	295,521,881
Employee costs		85,212,984	76,839,017
Board /Board Expenses		4,166,496	3,891,950
Repairs and maintenance		52,637,382	128,552,656
Contracted services		8,253,357	7,153,628
Grants and subsidies		-	-
Total Payments		327,359,917	511,959,132
Net Cash Flows from operating activities	46	(18,841,459)	43,704,730
Cash flows from investing activities			
Biological Assets		-	(1,200,000)
Proceeds from sale of property, plant and equipment		-	(3,905,000)
Purchase of property, plant, equipment and intangible assets		(40,758,930)	(14,499,224)
Purchase of Furniture		(1,356,000)	(10,798,000)
Net cash flows used in investing activities		(42,114,930)	(30,402,224)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		(60,956,389)	13,302,506
Cash and Cash equivalents at 1 JULY 2022	25	121,641,687	108,339,181
Cash and Cash equivalents at 30 JUNE 2023	25	60,685,298	121,641,687

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

Description	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Performance Difference	Utilization on Difference %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	300,000,000	-	300,000,000	108,011,000	(191,989,000)	36
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	316,500,000	-	316,500,000	255,713,033	(60,786,967)	81
Sale of goods	-	-	-	-	-	-
Income generating units	15,262,000	-	15,262,000	19,330,839	4,068,839	127
Rental revenue from facilities and equipment	1,440,000	-	1,440,000	726,500	(713,500)	50
Finance income	-	-	-	-	-	-
Total Income	633,202,000	-	633,202,000	383,781,372	(249,420,628)	61
Expenses						
Use of goods and services	378,086,070	-	378,086,070	175,274,763	(202,811,307)	46
Rent Paid	450,000	-	450,000	14,199	(435,801)	3
Employee costs	115,200,000	-	115,200,000	85,212,984	(29,987,016)	74
Board/Board Expenses	4,013,280	-	4,013,280	4,166,496	(153,216)	104
Repairs and maintenance	19,000,000	-	19,000,000	38,383,251	(19,383,251)	202
Development	100,000,000	-	100,000,000	12,858,160	(87,141,840)	13
Contracted services	12,500,650	-	12,500,650	8,253,357	(4,247,293)	66
Provision For Depreciation	-	-	-	18,008,602	18,008,602	-
expenditure	629,250,000	-	629,250,000	342,171,812	287,078,188	54
Surplus For the Year	3,952,000	-	3,952,000	41,609,560		

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

1. Transfers from other government units underperformance resulted from non-disbursement of capitation by the Ministry.
2. Variance in service delivery Students' fees were not raised in a timely manner because parents or students were unable to do so.
3. Development initiatives and general institute repairs led to increased maintenance and repairs.
4. Proper control techniques implemented to manage income led to variance in income generating units.
5. Staff leaving school facilities, such as rents, caused a variance in rental income from equipment and facilities.
6. Capitation was not paid out on time, we were unable to spend, which resulted in variation in the usage of products and services.
7. Differences in Rent was due to minimum repairs
8. Variance in Employee costs was due to exit of employees and also received trainers from public service.
9. Variance in Board Expenses was due to frequent general meetings
10. Variance in Repairs and maintenance was as a result of more general repairs to keep the building in habitable state.
11. Variance in Contracted services was due to low initial estimates and additional work introduced was beyond the original contract.

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023
(e) Notes to the Financial Statements

1. General Information

RVTTI entity is established by and derives its authority and accountability from TVET Act No. 29 of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Training.

2. Statement of Compliance and Basis of Preparation

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

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

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

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

19. Notes to the Financial Statements

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</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. <p>Impact:</p> <ul style="list-style-type: none"> • Replaces IPSAS 29, introducing a more principles-based approach to classifying and measuring financial instruments. • Affects recognition, measurement, and disclosure of financial assets and liabilities such as tuition fee receivables, grants, and investments. • Introduces an Expected Credit Loss (ECL) model for impairment, which may require public learning institutes to reassess their bad debt provisions. • Could impact financial reporting on investments in financial instruments such as bonds and derivatives.
<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</p>

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023

Standard	Effective date and impact:
	<p>information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity. (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> <p>Impact:</p> <ul style="list-style-type: none"> • Defines and standardizes the recognition and measurement of social benefits (e.g., scholarships, stipends, and education grants provided by the institute). • Requires liabilities related to social benefits to be recorded when the obligation arises, impacting net financial position. • Enhances disclosure requirements for transparency on obligations related to student financial aid and other benefits.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) 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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period Ended 30th June 2023

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Impact:</p> <ul style="list-style-type: none"> • Replaces IPSAS 13, introducing a single lease accounting model for lessees, requiring most leases to be recognized as Right-of-Use (ROU) assets with corresponding lease liabilities. • Public learning institutes that lease buildings, equipment, or vehicles must recognize lease liabilities and related assets, affecting the balance sheet. • Increases transparency in financial reporting by requiring detailed disclosures on leasing arrangements. • Potentially impacts financial ratios, as lease obligations may increase liabilities and alter net asset positions.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Impact:</p> <ul style="list-style-type: none"> • Requires separate classification of assets that are available for immediate sale in their present condition, such as land or buildings the institute plans to dispose of. • Affects measurement by requiring such assets to be recorded at the lower of carrying amount or fair value less costs to sell. • Changes in classification may impact depreciation, as assets held for sale are not depreciated. • Discontinued operations must be presented separately in financial statements, providing clearer financial performance insights.

iii. Early adoption of standards

The entity did not early-adopt any new or amended standards in year 2022. The entity adopted standard and.

Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

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.

Rift Valley Technical Training Institute
Annual Report and Financial Statements For The Period Ended 30th June 2023
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022-2023 was approved by the Board or Board on 31 Jan 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of Nil on the FY 2022/2023 budget following the Board/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule of the Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over Year or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately). 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 Year of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Land and Buildings-0.50%

Motor Vehicle-10%

Furniture and Fittings-10%

Computers-30%

Other Assets (Books)-5%

Plant and Equipment-5%

Work in Progress (Capital)-0%

The depreciation method used is on reducing balance.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period Ended 30th June 2023

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

g) Intangible assets

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge

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accounting rules have no impact on the Company's financial statements. (Amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets.

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except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL)

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

J.1 Recognition and Measurement of biological assets IPSAS 27

The Institute recognizes a biological asset when and only when:

- (a) It controls the asset as a result of past events;
- (b) It is probable that future economic benefits or service potential associated with the asset will flow to it,
- (c) The fair value or cost of the asset can be measured reliably.

Biological Assets include tree seedling and farm animals. These assets are valued at fair market value.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

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l) Social Benefits

Social benefits are cash transfers provided to

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior Years. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different

from those at which they were initially recorded during the Year, are recognized as income or expenses in the Year in which they arise.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the Year during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

s) 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.

t) Cash and cash equivalents

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

u) Comparative figures

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

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Notes to the Financial Statements (Continued)

v) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting Year. 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 Years.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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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.

Notes to the Financial Statements (Continued)

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

5. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	108,011,000	200,347,500
Operational Grant	-	-
Unconditional Development grants	-	-
Other Grants	-	-
Total unconditional Grants	108,011,000	200,347,500
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	108,011,000	200,347,500

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical Education Ministry	108,011,000	-	-	108,011,000	200,347,500
	-	-	-	-	-
Total	108,011,000	-	-	108,011,000	200,347,500

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

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Notes to the Financial Statements (Continued)

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix III

6. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

7. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
Total Transfers	-	-

8. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

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Notes to the Financial Statements (Continued)

9. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Repair and maintenance and improvement	7,271,775	7,084,571
Tuition fee	109,476,089	128,806,401
Personal emoluments	45,819,735	45,205,513
Accommodation	10,992,691	12,448,386
Local transport and travel	11,887,194	11,573,733
Activity fees	13,345,914	12,958,314
Student Id	3,256,500	-
Training materials	175,500	-
Electricity water and conservancy	12,987,135	12,640,562
Attachment	25,485,000	24,526,703
Contingencies	-	-
Caution Money	3,608,000	-
Student union	3,256,500	1,783,073
Graduation	8,151,000	-
Medical	-	62,681
Examinations	-	81,480,386
Others (Specify)	-	-
Total Revenue from The Rendering of Services (Fees Revenue)	255,713,033	338,570,323

10. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	1,800,737	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	1,800,737-	-

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Notes to the Financial Statements (Continued)

11. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	726,500	724,400
Operating Lease Revenue	-	-
Total	726,500	724,400

12. Finance Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

13. Miscellaneous Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Seminars and Workshops	5,127,136	1,772,711
Driving School	3,104,850	2,841,563
Auto Garage	9,298,116	11,407,365
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Miscellaneous income (specify)	-	-
Total other income	17,530,102	16,021,639

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14. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and learning materials	-	-
Industrial attachment costs	4,666,745	3,834,266
Electricity	3,941,857	4,186,063
Water	2,563,371	4,323,719
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	-	-
Examination fees	-	61,326,760
Audit fees	-	-
Conferences. and delegations	3,216,612	6,141,828
Local travel and transport	42,038,840	47,938,066
Boarding	24,395,978	26,613,990
Insurance	-	-
Legal expenses	-	-
Licenses and permits	-	-
Farm	2,493,980	1,946,562
Printing and stationery	-	-
Student Board	2,628,920	3,330,439
Rent expenses	14,199	46,184
Graduation	7,285,738	-
Training expenses	61,350,519	89,834,017
Administration fee	4,681,189	25,719,578
Driving school and Auto garage	10,533,807	13,232,094
Medical	1,407,921	652,376
Activity and sports	3,378,539	4,774,852
Bank Charges	190,747	214,087
Caution Money	500,000	1,407,000
Other (specify)	-	-
Total good and services	175,288,962	295,521,881

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15. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	85,212,984	76,839,017
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	85,212,984	76,839,017

16. Board/Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	-	-
Other Board/Board Expenses	4,166,496	3,831,950
Total	4,166,496	3,831,950

17. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	18,008,602	27,726,292
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	18,008,602	27,726,292

18. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
General Property	51,241,411	143,333,460
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	51,241,411	143,333,460

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19. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (security and cleaning)	8,253,357	7,153,628
Total contracted services	8,253,357	7,153,628

20. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

21. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

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

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22. Gain On Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

23. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

24. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

25. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	54,830,889	112,330,582
On - Call Deposits	-	-
Fixed Deposits Account	5,600,000	7,067,227
Staff Car Loan/ Mortgage	-	-
Savings	254,409	2,243,878
Others (Specify)	-	-
Total Cash and Cash Equivalents	60,685,298	121,641,687

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Notes to the Financial Statements (Continued)

25 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1175590193	10,528,608	24,436,282
Kenya Commercial Bank	1210872684	464,614	409,552
SBM BANK	0162084669003	957,634	957,634
SBM BANK	0162084669002	777,470	3,670
ABSA BANK	0031258030	203,367	9,676,435
ABSA BANK	0031258049	1,949,409	14,515,638
ABSA BANK	0031019605	38,545,260	62,331,371
Standard Chartered Bank(SME Online)	015201655120	1,404,527	1,467,227
Sub- Total		54,830,889	113,797,809
b) Savings			
ABSA Bank	0034017824	254,409	2,243,878
Equity Bank - etc.	-	-	-
Sub- Total	-	254,409	2,243,878
c) Fixed Deposits Account			
Standard Chartered Bank (Fixed deposit)	440116551200	5,600,000	5,600,000
Sub- Total		5,600,000	5,600,000
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank	-	-	-
Bank B	-	-	-
Sub- Total	-	-	-
e) Others(Specify)			
Cash in Transit	-	-	-
Cash in Hand	-	-	-
Mobile Money account	-	-	-
Sub- Total			
Grand Total		60,685,298	121,641,687

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Notes to the Financial Statements (Continued)

26. Receivables from Exchange transactions

26 (a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	226,420,187	227,042,842
Rent Debtors	402,500	155,500
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	226,822,687	227,198,342

26 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

Notes to the Financial Statements (Continued)

26 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	106,420,187	47	-	-
Between 1- 2 years	93,902,500	41	-	-
Between 2-3 years	26,500,000	12	-	-
Over 3 years	-	-	-	-
Total (a+b)	226,822,687	-	-	-

26 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

27. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-

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

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Notes to the Financial Statements (Continued)

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

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

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

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

29. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	36,002	-
Health Unit stores	82,600	52,800
Electrical stores	68,457	87,202
Cleaning Materials stores	-	10,140
Catering stores	103,700	337,303
Less: Impairment allowance	-	-
Stationery Stores	209,438	44,800
Total Inventories at lower of Cost and Net Realizable Value	500,197	532,245

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Notes to the Financial Statements (Continued)

30. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds	-	-
Financial Institution	-	-
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks	-	-
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)	-	-
Equity/ Shares in Company	-	-
Sub- Total	-	-
Grand Total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

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Notes to the Financial Statements (Continued)

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

PROPERTY, PLANT & EQUIPMENT IN (KSHS)	Land	0.5%	10%	10%	10%	30%	5%	5%	5%	0%	Total
		Buildings Kshs	Motor Vehicles Kshs	Furniture & Fittings Kshs	Computers Kshs	Other Assets- library books Kshs	Plant, Equipment and machinery Kshs	Capital Work in Progress Kshs	Kshs	Kshs	
Cost/Valuation											
Bal as at 30 June 2021- NBV		1,461,885,875	45,254,225	66,072,525	31,186,375	13,866,062	168,608,188	53,860,247			1,840,733,497
Bal as at 1 July 2021		1,461,885,875	45,254,225	66,072,525	31,186,375	13,866,062	168,608,188	53,860,247			1,840,733,497
Additions		-	-	10,798,000	-	-	3,905,000	14,499,224			29,202,224
Disposal		-	-	-	-	-	-	-			-
Donation (MOEST)		-	-	-	-	-	-	-			-
Transfer/adjustments		-	-	-	-	-	-	-			-
Revaluations during the year		-	-	-	-	-	-	-			-
Bal as at 30 June 2022		1,461,885,875	45,254,225	76,870,525	31,186,375	13,866,062	172,513,188	68,359,471			1,869,935,721
Bal as at 1 July 2022		1,461,885,875	45,254,225	76,870,525	31,186,375	13,866,062	172,513,188	68,359,471			1,869,935,721
Additions		-	-	1,356,000	-	-	-	42,154,901			43,510,901
Disposal		-	-	-	-	-	-	-			-
Donation (MOEST)		-	-	-	-	-	-	-			-
Transfer/adjustments		-	-	-	-	-	-	-			-
Revaluations during the year	1,540,000,000	(732,912,475)	(20,729,225)	(48,210,625)	(9,567,875)	-	(135,325,288)	116,529			593,371,041
Bal as at 30 June 2023	1,540,000,000	728,973,400	24,525,000	30,015,900	21,618,500	13,866,062	37,187,900	110,630,901			2,506,817,663
Depreciation											
Accum as at 1 July 2021		21,818,829	11,416,809	17,716,082	20,489,448	1,977,647	24,047,743	-			97,466,559
Depreciation charged- 21/22		7,200,335	3,383,742	5,915,444	3,209,078	594,421	7,423,272	-			27,726,292
Impairment		-	-	-	-	-	-	-			-
Accum as at 30th June 2022		29,019,165	14,800,551	23,631,526	23,698,526	2,572,068	31,471,015	-			125,192,851

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Accum as at 1 July 2022	29,019,165	14,800,551	23,631,526	23,698,526	2,572,068	31,471,015	-	125,192,851
Depreciation charged-22/223	3,644,867	2,452,500	3,001,590	6,485,550	564,700	1,859,395	-	18,008,602
Impairment	-	-	-	-	-	-	-	-
Revaluations-acc depr	(29,019,165)	(14,800,551)	(23,631,526)	(23,698,526)	-	(31,471,015)	-	(122,620,783)
Accum as at 30th June 2023	3,644,867	2,452,500	3,001,590	6,485,550	3,136,768	1,859,395	-	20,580,670
NBV as at 30 June 2023	725,328,533	22,072,500	27,014,310	15,132,950	10,729,294	35,328,505	110,630,901	2,486,236,993
NBV as at 30 June 2022	1,432,866,710	30,453,674	53,238,999	7,487,849	11,293,994	141,042,173	68,359,471	1,744,742,870

N/B

1. W.I.P Refers to work in progress for the Virtual Learning Center

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Morowi professional values on January 2023. These amounts were adopted in the financial statements For the Year Ended 30 June 2023.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	1,540,000,000	-	1,540,000,000
Buildings	728,973,400	3,644,867	725,328,533
Plant And Machinery	37,187,900	1,859,395	35,328,505
Motor Vehicles including Motorcycles	24,525,000	2,452,500	22,072,500
Computers and Related Equipment	21,618,500	6,485,550	15,132,950
Office Equipment, Furniture, And Fittings	30,015,900	3,001,590	27,014,310
Other Assets Library books	13,866,062	3,136,768	10,729,294
Capital Work in Progress(Wip)	110,630,901	-	110,630,901
Total	2,506,817,663	20,580,670	2,486,236,993

32. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions-Revaluations	-	-
At end of the year	-	-
Additions-internal development	10,600,000	-
At end of the year	10,600,000	-
Amortization and impairment	-	-
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	10,600,000	-

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 Notes to the Financial Statements (Continued)

33. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting Year for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

34. Biological Assets

Details	2022-2023	2021-2022
	Kshs	Kshs
Cattle	1,819,400	1,200,000
Trees	-	-
Others (Specify)	-	-
Total	1,819,400	1,200,000

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Notes to the Financial Statements (Continued)

35. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	14,712,469		20,264,464	
Fees paid in advance	7,680,519		80,995,848	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	22,392,988		101,260,312	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	22,392,988	100%	-	-
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	22,392,988	100%	-	-

36. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	3,108,000		4,284,097	
Other refundable deposits	-		-	
Total Deposits	3,108,000		4,284,097	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	3,108,000	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	3,108,000	100%	-	%

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Notes to the Financial Statements (Continued)

37. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

38. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Year	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	-
Total	-

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Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

39. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

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Notes to the Financial Statements (Continued)

40. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 2022. The scheme is administered by are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at actuarial values on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2022-2023	2021-2022
	Kshs	Kshs
Discount Rates	%	%
Future Salary Increases	%	%
Future Pension Increases	%	%
Mortality (Pre- Retirement)	%	%
Mortality (Post- Retirement)	%	%
Withdrawals	-	-
Ill Health	-	-
Retirement	years	years

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-

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Adjustments for restrictions on the defined benefit asset	-	-
Re measurement of the net defined benefit liability (asset)	-	-

Notes to the Financial Statements (Continued)

b) Amounts recognised in the Statement of Financial Position

Description	2022-2023	2021-2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1080 per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by Pension Fund. Employees contribute while employers contribute of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the Year they are incurred.

41. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	-		-	
Others (Specify)	-		-	
Total	-		-	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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Notes to the Financial Statements (Continued)

42. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Total deferred income	-	-	-	-	-

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 36)

43. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

43 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from organization	-	-
Sterling pound denominated loan from organization	-	-
Euro denominated loan from organization	-	-
Domestic borrowings		
Kenya shilling loan	-	-
Total balance at end of the year	-	-

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43 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

45. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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Notes to the Financial Statements (Continued)

46. Cash generated from operations.

	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	41,609,560	1,257,634
Adjusted for:		
Depreciation	18,008,602	27,726,292
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Decrease in Inventory	32,048	1,426,314
Decrease in Receivables	375,655	70,875,000
Increase in Deferred Income	-	-
Decrease in Payables	(78,867,324)	(8,194,727)
Increase in Payments received in advance	-	(71,100,993)
Current portion of received from exchange transactions	-	(123,159,292)
Long term receivable from exchange transactions	-	2,672,516
Net Cash Flow from Operating Activities	(18,841,459)	(43,704,730)

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

Notes to the Financial Statements (Continued)

47. Financial Risk Management

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

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

iv) Credit risk

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

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	227,198,342	227,198,342	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	121,641,687	121,641,687	-	-
Total	348,840,029	348,840,029	-	-
At 30 June 2023				
Receivables from exchange transactions	226,822,687	226,822,687	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	60,685,298	60,685,298	-	-
Total	287,507,985	287,507,985	-	-

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

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from Students

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	14,163,328	10,385,233	-	24,548,561
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	14,163,328	10,385,233	-	24,548,561
At 30 June 2023				
Trade Payables	14,712,469	-	-	14,712,469
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	14,712,469	-	-	14,712,469

Notes to the Financial Statements (Continued)
Financial risk management (continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting Year are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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Annual Report and Financial Statements For The Period Ended 30th June 2023
Notes to the Financial Statements (Continued)

Financial risk management (continued)

Foreign currency sensitivity analysis

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

Details	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
2023			
Euro	10%	-	-
USD	10%	-	-

v) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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Notes to the Financial Statements (Continued)
Financial risk management (continued)

vi) **Capital Risk Management**

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	786,281,168	56,497,876
Retained Earnings	223,128,669	181,519,109
Capital Reserve	1,751,753,750	1,751,753,750
Total Funds	2,761,163,587	1,989,770,735
Total Borrowings	-	-
Less: Cash and Bank Balances	60,685,298	121,641,687
Net Debt/(Excess Cash and Cash Equivalents)	2,700,478,289	1,868,129,048
Gearing	-	-

48. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period 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) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from KPLC	3,941,857	4,186,063
Purchase of water from gov't service providers	2,563,371	4,060,452
Rent expenses paid to gov't agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (specify)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Gov't	108,011,000	200,347,500
Grants from County Government	-	-
Donations in Kind	-	-
Total	114,516,228	208,594,015
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	-	-
Payments for Goods and Services for	-	-
Total	-	-
d) Key Management Compensation		
Directors' emoluments	-	-
Board of Governors Remuneration	4,166,496	3,831,950
Compensation to Key Management	-	-
Total	4,166,496	3,831,950
Total	118,682,724	212,425,965

49. 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)

Rift Valley Technical Training Institute

Annual Report and Financial Statements For The Period Ended 30th June 2023

Notes to the Financial Statements (Continued)

50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities		
Court Case against (The Entity)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (Specify)	-	-
Total	-	-

(Give details)

51. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

52. Events after the Reporting Year

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

53. Ultimate and Holding Entity

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

54. Currency

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

Annual Report and Financial Statements For The Period Ended 30th June 2023
 Notes to the Financial Statements (Continued)

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Non-Separation of Land and Buildings	The institute engaged the services of a registered valuer who did the valuation and separated land and buildings	Resolved	-
1.2	Valuation of Property, Plant and Equipment	The institute engaged the services of a registered valuer who did the valuation of Property, Plant and Equipment.	Resolved	-
1.3	Variance of Property, Plant and Equipment Schedule and Note 31 (b)	The variance was noted and rectified in the Amended Financial statements for the Year Ended June 2022.	Resolved	-
2.0	Inaccuracies in Receivable from Exchange Transactions	The management is in the process of putting in place appropriate measures to ensure outstanding debts are received in full by adhering to fee policy further the institute could not provide for bad and debts since students has to clear before collection of the certificate	Not resolved	-
Other Matters				
1	Budgetary Control and Performance	The institute will stick to the budget in its Future operations to ensure service delivery to the public is achieved	Resolved	-

Financial Statements For The Period Ended 30th June 2023

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)
2	Unresolved Prior Year Matters			
3	Under-Funding of the institute	Appropriate measures have been put in place to ensure transfers from National government are requisitioned and received through the line ministry	Not resolved	-
Basis for Conclusion				
1	Approval of 2021/2022 Annual Budget	The management will ensure that the institute will be submitting its approved budget by the board of governors to the line ministry for approval	Resolved	-
2	Employee Costs- Lack of Approved Staff Establishment	The comprehensive staff establishment is on the process of being approved.	Resolved	-
3	Failure to Observe One Third Rule on Staff Composition	The management will adhere to National cohesion and Integration Act of 2008 on ethnic composition of staff on its future recruitment	Not Resolved	-
4	Rotation of Board Members	The management will adhere to the circular OP/CAB.9/IA on management	Resolved through structured policies and governance	-

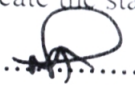
Annual report and Financial Statements For The Period Ended 30th June 2023

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)
5	Bank Accounts Register	of state corporations Management will ensure that a register of authorized bank accounts is kept and maintained.	frameworks that ensure continuity Resolved when authorized register is kept.	
6	Long outstanding Payables	The management will put in place the mechanism to ensure that pending bills are prioritized and treated as first charge in the following financial year	Resolved	
Basis for Conclusion				
1	Weak ICT Internal Control Environment	Management will establish ICT strategic and steering committee and put in place offsite data back-up, provide training programme for IT staff capacity building and documented change request procedures	Resolved	
2	Lack of Tagging of Fixed Assets	The institute engaged the services of a registered valuer to carry out the tagging and branding of its fixed assets as evidenced by the attached photos under Annex 3	Resolved as tagging has been carried out.	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	Lack of Creditors' Management Policy	As per Public Finance Management (National Government) Regulations, 2015 which requires National government entity to develop creditors policy the institute has implemented the PFM act by incorporate it in the Finance policy	Resolved	-

Guidance Notes:

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

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Name
Accounting Officer
Principal
Date

Appendix II: Projects Implemented by Rift Valley Technical Training Institute
Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Year/ duration	Donor commitment	Separate reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Virtual Learning Centre	1	-	-	Fully	No	Yes
2. Perimeter Wall	2	-	-	Fully	No	Yes

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1. Virtual Learning Centre	123,976,006	103,381,919	80%	123,976,006	103,381,919	Ministry/AIA
2. Perimeter Wall	12,858,160	12,858,160	100%	12,858,160	12,858,160	Ministry/AIA
3	-	-	-	-	-	-

Annual Report and Financial Statements For The Period Ended 30th June 2023
Appendix III- Inter-Entity Confirmation Letter

Rift Valley Technical Training Institute,
 P.O Box 244 ELDORET.

The Rift Valley Technical Training Institute wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by Ministry Of Education(Kshs) as at 30th June 2023			Total	Amount Received by [RVTTI] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
	27/10/2022	36,555,000	-	-	(D)=(A+B+C) 36,555,000	36,555,000	-
	26/01/2023	35,728,000	-	-	35,728,000	35,728,000	-
	29/06/2023	35,728,000	-	-	35,728,000	35,728,000	-
Total		108,011,000	-	-	108,011,000	108,011,000	-

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

Head of Accountants department of beneficiary Entity:

Name *J.A.C. O.S.S.* Kshs. Co. f. Sign: *J. O. O. O.* Date

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Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related expenditure require (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
-	-	-	-	-	-	-
-	-	-	-	-	-	-