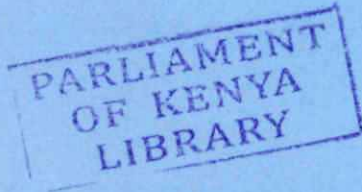


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**




**OF**

**THE AUDITOR-GENERAL**

**RANGWE TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>17 JUN 2025</b>	DAY: <b>TUESDAY</b>
TABLED BY:	<b>THE LEADER OF THE MAJORITY PARTY</b>
CLERK-AT THE-TABLE:	<b>WILLIE OBIERO</b>



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**RANGWE TECHNICAL AND VACATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
PSC	Public Service Commission
TVET	Technical and Vocational Education and Training
PC	Performance Contracting

**B. Definition of Key Terms**

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

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

**2. Key Entity Information and Management**

**(a) Background information**

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

The Institution has since established departments as follows:

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

**(b) Principal Activities**

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

**Vision**

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

**Mission**

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

**Core Values**

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

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

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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**(c) Key Management**

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

- 1) Board of Governors
- 2) Management Team

**(d) Fiduciary Management**

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

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

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

**(e) Fiduciary Oversight Arrangements**

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

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

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

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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<b>Audit Committee</b>	1. Mr. Evance Asungah	-Chairperson
	2. Ms. Cynthia Ochuodho	Member
	3. Mr. Tom Olang'o/John Wamae	-Member
	4. Mr. John Magare	Secretary

**f) Entity Headquarters**

**Rangwe Technical and Vocational College**

P.O. Box 396 – 40300  
6km off Kendu Bay- Homabay road at Kodhoch Junction  
HOMA BAY,  
KENYA.

**g) Entity Contacts**

Telephone: 0718035475  
E-mail: rangwetechnical@gmail.com

**h) Entity Bankers**

Kenya Commercial Bank  
P.O. Box  
Bank street Homabay town.  
HOMA BAY

**i) Independent Auditors**




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

**j) Principal Legal Adviser**

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



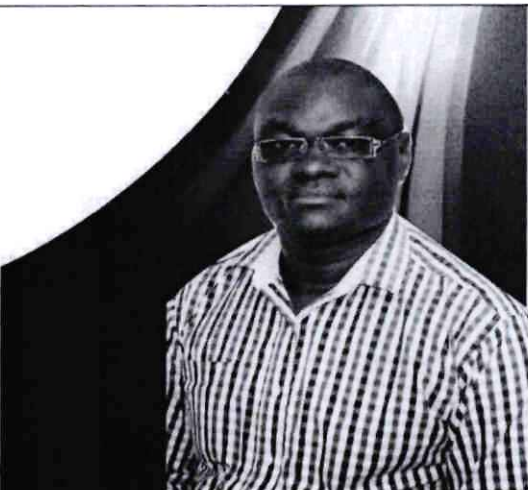
**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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**3. The Board of Governors**



No.	Member/ Director	Details
1.		<p><b>Prof. BENSON ATENG</b>  Chairperson  <b>Key area of speciality-</b>  Holds a PhD, M.A and BED (First class honours) in Economics. Prof. Ateng was born 15<sup>th</sup> Dec 1949. He worked in the World Bank for thirty years. Currently he is a senior lecturer and Academic Team Leader of the Department of Economics at the Technical University of Kenya. Prof. Ateng has also served as a Chairman of the Consolidated Bank of Kenya in addition; he is a member of the Monetary Policy Committee of the central bank of Kenya. He has also won many honours and awards.</p>
2.		<p>John Wamae  PS Representative  Was born 1969.  Msc Applied Statistics  Bsc Maths and Computer Science  PGDE  Worked with TSC as a teacher. Worked with ministry as quality assurance and standards officer for TVET and currently Regional Director for TVET Kisumu, Homabay and Siaya</p>
3.		<p><b>MR. SIMON UKOKHE EGESA</b>  <b>Independent member</b>  <b>Key area of speciality-</b> Human Resource Management  Member of the board since February 2023. He was born on 22<sup>nd</sup> April 1980. Currently he is the Head of HRM at United Millers Ltd. He has a wealth of experience spanning over 17 years as Human Resource Practitioner and he holds BCOM (HRM option), Master of science in HRM and currently pursuing a PhD.BA (Human</p>

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**

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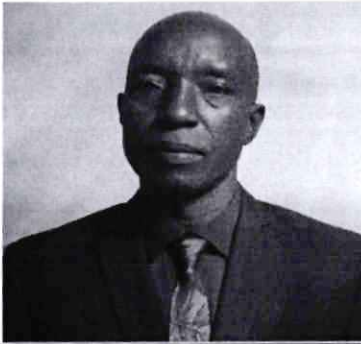



		Resource Management at the university of Nairobi). He is a full member of IHRM with practicing certificate
4.		<p><b>CPA ASUGAH N. EVANS</b>  <b>Independent member</b>  <b>Key area of speciality – Finance</b>                      Member of the Board since February 2023.                      Mr Asugah was born on 28<sup>th</sup> June 1984.                      Currently on private consultancy on Finance.                      He has 16 years of experience in financial accountancy issues. Previously he worked as an accountant with the National Museums of Kenya for 12 years from 2007 to 2019. He holds a Degree in Bachelor of Commerce from Kisii University.</p>
5.		<p><b>MS. CYNTHIA ADHIAMBO OCHUODHO</b>  <b>Independent member</b>  <b>Key area of speciality - Law</b>                      Member of Board since 2019.                      Ms. Cynthia was born on 29<sup>th</sup> June 1987. She works as SBC Kenya Limited (Pepsi Cola) Legal &amp; Human Resource Manager. She has 10 years of experience. Previously she worked as Legal Officer in different organizations. She is an Advocate of the High Court of Kenya and holds a Degree in Bachelor of Law from Moi University</p>
6.		<p><b>ENG. ELPHAS ODIWUOR OMONDI</b>  <b>Independent member</b>  <b>Key area of speciality – Civil Engineering/Project management.</b>                      Member of the Board since 2019.                      Eng. Elphas was born in 1982. He works at B360 Inc. /USAID as Projects Quality Control Engineer. He has 18 years of experience. Previously he worked in different organizations in different capacities. He holds BSc. Civil Engineering from JKUAT and Master’s degree in Project Management from Atlantic International University.</p>

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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7.		<p><b>NAME: PETER LUKE OTIENO</b>  <b>Independent member</b>  D.OB: 10<sup>th</sup> March 1992  Highest Academic Qualification: Bachelor's degree in Social Work &amp; Community Development  Area of Specialization: Project Management  History of Work: over 8 years in NGO Sector  Current Work: Program Coordinator at SOS Children's Villages  Kenya (Specialized in Youth Development and Community Empowerment Programs)</p>
8.		<p><b>MR. EZEKIEL OMOLLO</b>  <b>The Principal</b>  <b>Key area of speciality</b> – Analytical Chemistry  Mr. Ezekiel Omollo was born 6<sup>th</sup> May 1966. He is the Principal of Rangwe Technical and Secretary to the Board. He has worked for 30 years in Technical Education  He holds BEd.Sc, Higher Diploma Analytical Chemistry Dip Ed.Sc.</p>

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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**4. Management Team**

No.	Member/ Director	Details
1.		<p>Mr. Ezekiel Omollo            BEd. Sc, Higher Diploma Analytical            Chemistry Dip Ed.Sc.  <b>The Principal</b></p>
2.		<p>Mr. Sylvester Omondi Onyango            Higher Diploma in Mechanical            Engineering            (Automotive option)            Diploma in Technical Education            Teaching experience 24 years  <b>Deputy Principal.</b></p>
3.		<p>Mr. Baely Onyango Ogallo            Diploma in Technical Education            (Automotive Option).            Ordinary Diploma in Mechanical            Engineering. (Automotive Option)            Teaching experience 16 years  <b>The Registrar</b></p>
4.		<p>Madam Grace Eunice Nyamaganda            Bachelor of Technology in Mechanical            Engineering( Production Option)            Diploma in Mechanical Engineering            (Automotive Option)            Diploma in Technical Education            Teaching experience 16 years  <b>The Dean of Students</b></p>

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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## **5. Chairman's Statement**

### **1. Chairman's Statement**

It is my humble privilege to present to our stakeholders the Annual Reports and Financial Statements of Rangwe TVC for the financial year ended 30<sup>th</sup> June, 2024. This report gives a true reflection of the performance of Rangwe TVC over the period, 1<sup>st</sup> July 2023 to 30<sup>th</sup> of June 2024. The report highlights key activities Rangwe TVC carried out during the year. It also illustrates the successes and challenges the institution encountered over the period.

Notably, the Rangwe TVC managed to install 3 tanks of 5,000 litres capacity, 2 tanks of 2,000 litres capacity and **Generator for power back up**. Due to aggressive outreach the college experienced an increase in student population as was observed in increase in fee collection from the previous **Kshs 23,327,716** to **Kshs 43,878,296** the institution intends to maintain this trajectory by intensifying outreach programs and also launching market driven courses that will enable our graduates to remain relevant in the market.

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

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

**Prof. Benson Ateng'**  
**CHAIRMAN BOG OF RANGWE TVC.**

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**6. Report of the Principal**

It is my great pleasure to present the Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2024. This is the fifth time the Rangwe TVC is preparing its financial statements. This has been a year of new challenges but also a year when the Rangwe TVC achieved significant milestones.

**Human Resource Matters**

On human resource matters, the Rangwe TVC was able hire 5 more B.O.G trainers, one intern and currently we have a total workforce of 39.

In the interest of employee development, the Rangwe TVC has continued to facilitate both teaching and no-teaching staff to go for conferences, workshops and trainings.

**Security**

To enhance security, the Rangwe TVC has been able to contract Modern Sky Security firm.

**Education Funding**

Increasingly, Rangwe TVC is over straining financially due to failure of the government to remit funds in time. While the government has continued to be the major source of funding, from September 2023, the Government adopted a new system of funding where students are classified into different bands as function of their economic base. It is clear that the Rangwe TVC must strategize through planning to initiate income generating activities to help raise additional funds.

**Financial Performance Review**

In the financial year 2023/2024, the College started the financial year with a cash balance of Kshs. 1,698,085 and received Kshs.500, 000 from the Government as recurrent income. We managed to collect Kshs. 33,203,108 from A-I-A. In total the college had Kshs 35,401,190 at its disposal. This enabled us to achieve several milestones including buying pieces of furniture, Construction of Workshop sheds, a generator and water tanks.

  
Mr. Ezekiel Omollo  
**PRINCIPAL**



**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**7. Statement of Performance against Predetermined Objectives**

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

The Rangwe TVC has Four (4) Key Result areas and 4 objectives within the current Strategic Plan for the 2023 - 2027. These strategic pillars are as follows:

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

The Rangwe TVC develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2023/2024 period for its 4 strategic key result areas, as indicated in the table below

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Academic Excellence</b>	To produce quality and innovative graduates	Training monitored and evaluated	Monitor and evaluate training,	Carry out staff needs assessment for all departments thereby evaluating the effectiveness of training during the year.
<b>Financial Sustainability</b>	To improve financial sustainability	Number of students sponsored	Lobby for Students Sponsorship Programmes	The College lobbied for sponsorship of some students by DREAM Girl - NGO and CDF.
<b>Institutional Capacity</b>	To engage, train and retain quality and competent Human Resource	Policies developed and implemented	Develop and implement policies on Human Resource	Human Resource Policy, Academic Policy and Internal Quality Assurance Policy developed and implemented

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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<b>Research, Innovation and Technology</b>	To Strengthen Research, Innovation and Outreach	Number of Outreach programmes implemented	Develop and implement outreach programs	-Participation of students in TVET fair -Research Projects and Proposals developed.
--	---	---	---	--

**Link between Key Result Areas with Performance Contracting**

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

## **8. Corporate Governance Statement**

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

### **VII.1 Appointment and Removal of Board Members**

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

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

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

- Is sentenced by a court of law to imprisonment for a term of six months or more
- Is incapacitated by physical or mental illness
- Has been absent from three consecutive meetings of the Board of Governors without leave
- Where the member is a representative, has his appointment revoked by the nominating body

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

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

The Board brings together Members from different professional backgrounds with diverse skills, competencies and complies broadly with the constitutional gender balance requirements.

Conflict of Interest was declared and recorded during all the meetings, with a conflict of interest register signed by all members.

### **VII.3 Role of the Chairperson of the Board**

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

### **VII.4 Role of the Board**

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

The Board is responsible for overall strategic direction and operational guidance of the Rangwe TVC in this regard, the responsibilities of the Board include:

- i. Determining the Rangwe TVC mission, vision, purpose and core values;
- ii. Reviewing, evaluating and approving, on a regular basis, long-term plans for the Rangwe TVC;
- iii. Reviewing, evaluating and approving the Rangwe TVC budget and financial forecasts;
- iv. Reviewing, evaluating and approving major resource allocations and capital investments;
- v. Reviewing, evaluating and approving the operating and financial results of the Rangwe TVC;
- vi. Ensuring effective, accurate, timely and transparent disclosure of relevant information on the Rangwe TVC operations and performance;
- vii. Ensuring that effective processes and systems of risk management and internal controls are in place;
- viii. Enhancing the Rangwe TVC public image and ensuring engagement with stakeholders through effective communication;
- ix. Monitoring compliance with the Constitution, all applicable laws, regulations and standard; and

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

## RANGWE TECHNICAL AND VOCATIONAL COLLEGE

### Annual Report and Financial Statements for the year ended 30th June 2024

#### VII.5 Board's Key achievements during the FY 2023/2024

- i) Approved and continually monitored the implementation of the College's Annual Operating Procurement Plans and Budget;
- ii) Signed and implemented the College's Performance Contract with The Ministry of Education;
- iii) Reviewed and approving Academic Policy, Human Resource Policy and streamlined Strategic Plan to be in line with BEtA Pillars.
- iv) Participated in recruitment of Five Public Service trainers.

#### VII.6 Board Membership and Attendance

The Board normally hold Full Board and Committee meetings. The Board has a total of Three Committees. The Board held a total of 5 Full Board meetings and 8 Committee meetings. Sufficient quorum was obtained and sustained during all the meetings, with each Board member registering over 95% attendance. In the year under review the attendance of the meetings is as per the table below:

#### Summary of Board meetings and attendance 2023/2024 FY

INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE							
S/N o.							TOTAL
	<b>Board Members</b>						
		13/07/2023	20/09/2023	09/10/2023	09/01/2024	10/04/2024	
1	Eng. Elphas O. Omondi	√	√	√	√	√	5
2	Mr Simon Ukokhe Egesa	√	√	√	√	√	5
3	Mr. Cynthia Ochuodho	√	√	√			3
4	Mr. Tom Otieno Olang'o	√	√	√	√	√	5
5	Mr Ezekiel Omollo	√	√	√	√	√	5
6	Mr.Peter Luke				√	√	2
7	Mr.John Wamae				√	√	2
EDUCATION RESEARCH AND TRAINING COMMITTEE							
		22/09/2023	09/01/2024	05/04/2024			
1	Eng. Elphas O. Omondi	√	√	√			3
2	MS.Cynthia A. Ochuodho	√	√	√			3
3	Mr. Evance Asungah	√	√	√			3
4	Mr. Tom Otieno Olang'o	√					1
5	Mr.Ezekiel omollo	√	√	√			3
6	Mr.John Wamae		√	√			2
AUDIT COMMITTEE							
		23/09/2023	10/04/2024				
1	Mr. Evance Asungah	√	√				2
2	Mr. Tom Otieno Olang'o	√					1
3	Mr John Magare	√	√				2

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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4	Mr John Wamae		√				1
<b>FULL BOARD</b>							
		15/07/2023	26/09/2023	11/10/2023	11/01/2024	12/04/2024	
1	Prof. Benson Ateng	√	√	√	√	√	5
2	Eng. Elphas O. Omondi	√	√	√	√	√	5
3	Mr.Simon Egesa	√	√	√	√	√	5
4	Mr. Tom Otieno Olang'o	√	√	√	√		4
5	Ms. Evance Asungah	√	√	√	√	√	5
6	Ezekiel omollo	√	√	√	√	√	5
7	MS.Cynthia A. Ochuodho	√	√		√	√	5
8	Ms.Twiller Chelegat		√				1
9	Mr Peter Luke		√	√	√	√	4
10	Mr John Wamae				√	√	2
<b>SHORTLISTING</b>							
		03/05/2024	19/05/2024				
1	Prof. Benson Ateng	√	√				2
2	Eng. Elphas O. Omondi	√	√				2
3	Mr.Simon Egesa	√	√				2
4	Ms. Evance Asungah	√	√				2
5	Mr.Ezekiel omollo	√	√				2
6	MS.Cynthia A. Ochuodho	√	√				2
7	Mr.Peter Luke	√	√				2
8	Mr.John Wamae	√	√				2
<b>EMERGENCY SITTING</b>							
		15/06/2024					
1	Eng. Elphas O. Omondi	√					1
2	Mr.Simon Egesa	√					1
<b>CHAIRMAN HONORARIA</b>							
		30/06/2024					
1	Prof. Benson Ateng	√					1

### **VII.7 Board Induction and Capacity Building**

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

### **VII.8 Board Remuneration**

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

### **VII.9 Corruption Prevention**

The Rangwe TVC has a zero tolerance on corruption guided by Corruption Prevention Procedures and Mitigation Plan.

### **VII.10 Risk Management**

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

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

### **General Statistics**

#### **VIII.1.1 Student Enrolment**

Rangwe TVC has a student population of 828 students this is due to improved infrastructure and proper marketing.

#### **VIII.1.2 Employee Statistics**

##### **a) Employee Distribution**

The Rangwe TVC has a total staff population of 45 comprising of 15 Teaching staff employed by the PSC, 22 BOG Teaching staff and 8 support staff.

##### **b) Employee Cost**

The Rangwe TVC wage bill as at 30<sup>th</sup> June, 2024 was Ksh 3,734,232.5. This has steadily increased with BOG teaching staff and non-teaching staff accounting for 70 % and 30% each on average.

#### **VIII.2 Key Project that the college is implementing**

Water Harvesting and Construction of Workshop sheds were key projects that the College undertook in the last financial year.

#### **VIII.3 Compliance with Statutory Requirements**

The Rangwe TVC complied fully with all statutory deductions with the following statutory deductions NHIF, NSSF and Housing Levy.

#### **VIII.4. Major potential risks facing the college**

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

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**10. Environmental and Sustainability Reporting Statement**

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

**Sustainability strategy and profile**

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

**Environmental performance**

**Tree Planting**

During the year, the Rangwe TVC planted about 2000 trees within the College as can be seen in the sampled photos below,



**Sewerage and waste water disposal system at the institution;**

The Rangwe TVC disposes sewage and waste water using septic tanks

**Solid waste disposal**

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

**Employee welfare**

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

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

**Market place practices-**

The organization should outline its efforts to:

**a) Responsible competition practice.**

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

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

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

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

**Preparation of reports for all goods and services received:** The College employed a Procurement Officer who will be dealing with preparation of reports of all the goods and services received as well as documentation of the receipt of all purchased items enabling the institution to ensure that all goods procured have been received as per the set agreements and account for budget spending.

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

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

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

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

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

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

**a) Responsible Supply chain and supplier relations**

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

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

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

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

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

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

**a) Responsible marketing and advertisement**

Efforts to maintain ethical marketing practices.

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

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

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

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

**Respect:** All staff respect the rights and dignity of others

**b) Product stewardship**

Rangwe TVC has ensured the following consumer rights and interest

- i) Safeguarded Provision of contractual information during identification of suppliers
- ii) Reasonable notification to suppliers, students and other stakeholders

**Corporate Social Responsibility / Community Engagements**

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

In the FY 2023/2024, the following Corporate Social Responsibilities were undertaken:

- Also, the Rangwe TVC partnered with MoH to conduct health outreach services in the surrounding Market and offered Health Talk and HIV prevention services to community members.
- Maintaining roads to access the college.

### **11. Report of the Board of Governors**

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

#### **Principal activities**

The principal activity of Rangwe TVC continues to be provision of Technical education

#### **Results**

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

#### **Board of Governors**

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

#### **Auditors**

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

By Order of the Board

.....  
**Secretary of the Board/Council**  
**Nairobi**  
**Date:**

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

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the Institution for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the institution, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the institution's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the institution's financial statements give a true and fair view of the state of institution's transactions during the financial year ended June 30, 2024, and of the institution's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Institution, which have been relied upon in the preparation of the institution's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

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

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

.....  
**Name** *Amo* **Accounting Officer/Principal**  
  
The stamp is rectangular with a blue border and contains the following text: **PRINCIPAL**, **RANGWE T.V.C.**, **P.O. BOX 395, 40300, HOMABAY**, and **DATE 2024.06.30**.

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Rangwe Technical and Vocational College set out on pages 1 to 39, which comprise the statement

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

In my opinion, except for the 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 Rangwe Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Accrual Basis) and the Public Finance Management Act, 2012, and comply with the Technical and Vocational Education and Training Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported Receivables from Exchange Transactions**

The statement of financial position, and as disclosed in Note 16 to the financial statements, reflects current portion of receivables from exchange transactions balance of Kshs.31,935,272 which relates to student fee debtors. However, Management of the College did not have a comprehensive strategy for recovery of outstanding debts.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transaction balance of Kshs.31,935,272 could not be confirmed.

#### **2. Property, Plant and Equipment**

The statement of financial position, and as disclosed in Note 17 to the financial statements, reflects property, plant and equipment balance of Kshs.53,222,851. However, the following unsatisfactory matters were noted:

##### **i. Undisclosed Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.53,222,851 which, as disclosed in Note 17 to the financial statements, includes land and buildings balance of Kshs.51,884,291. However, as previously reported, examination of the assets register provided for audit and physical verification of the listed assets indicated that the College owned land of undetermined value that was not included in the assets register or disclosed in the financial statements.

##### **ii. Land Buildings Without Ownership Documents and Value**

Audit verification revealed that the College did not have a title deed for the land and ownership documents for the buildings and other assets. It was also not clear how the property, plant and equipment values were arrived at. The cost values were not supported

were no clear depreciation policy to guide on determination of the amortization and depreciation expense.

### **iii. Assets Donated by the Ministry of Education**

Review of accounting records revealed that the college received a number of donated assets by the Ministry of Education. However, documents from the Ministry showing historical costs of these assets or valuation reports supporting the amounts were not provided for audit verification. Consequently, the assets values have been excluded in the property plant and equipment balance of Kshs.53,222,851.

In the circumstances the accuracy and completeness of property, plant and Equipment balance of Kshs.53,222,851 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.28,547,680 and Kshs.12,949,123 respectively, resulting in underfunding of Kshs.15,598,557 or 55% of the Budget. Similarly, the College incurred actual expenditure of Kshs.26,016,944 out of the actual revenue of Kshs.28,547,680, resulting in underutilization of Kshs.2,380,736 or 8%.

The under-funding and underutilization affected the planned activities and may have impacted negatively on learning in the College.

### **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 Information**

The Management is responsible for the other information set out on page iii to xxvii which comprises Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermine Objectives, Corporate Governance Statement, Management Discussion, Environmental and Sustainability Reporting Statement- Report

of the board of Governors and Statement of Board of Governors Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

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

Review of employee records revealed that the College had a total of 30 employees out of which, 28 or 93% were from the same ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

#### **2. County Governor Representative in the Board of Management**

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

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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter 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. Weaknesses in the Management of Fixed Asset

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

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

#### 2. Lack of Internal Audit Function and Audit Committee

During the financial year under review, the College did not have an internal audit department as required by Regulation 162(2)(a)((b)(c) and (d) of the Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities. Further, the College did not have an audit committee contrary to Regulations, 2015 which states that each national government entity shall establish an audit committee or share audit committee with another entity.

In the circumstances, the effectiveness of internal controls and risk management in the College could not be confirmed.

### **3. Non-Establishment of Human Resource Department**

The College has not established a human resource department. Furthermore, the institution does not have an approved human resource policy manual that defines terms and conditions of recruitment, promotions of casuals and permanent employees among other issues. In addition, the College does not have an approved staff establishment to guide on the optimal staff required to achieve its objectives.

In the circumstances, the controls on human resources management are not effective.

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 the Management and Board of Management**

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

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

**Nairobi**

**9 May, 2025**

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
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**14 Statement of Financial Performance for the year ended 30 June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	500,000	1,999,760
		<b>500,000</b>	<b>1,999,760</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	43,878,296	23,327,716
Sale of goods	8	505,099	428,237
Other income	9	1,000	7,000
<b>Revenue from Exchange transactions</b>		<b>44,384,395</b>	<b>23,762,953</b>
<b>Total Revenue</b>		<b>44,884,395</b>	<b>25,762,713</b>
<b>Expenses</b>			
Use of goods and services	10	19,509,613	9,986,972
Employee costs	11	3,734,233	3,239,460
Board Expenses	12	1,358,916	781,001
Depreciation and amortization expense	13	1,565,754.00	4,317,911
Repairs and maintenance	14	1,414,182	691,028
<b>Total Expenses</b>		<b>27,582,698</b>	<b>19,016,372</b>
<b>Net surplus for the year</b>		<b>17,301,697</b>	<b>6,746,341</b>

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

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

.....  
**Chairman of Board**

**Date 26/09/2024**

.....  
**Finance Officer**

ICPAK No 27059

**Date 26/09/2024**

.....  
**Principal**

**Date 26/09/2024**



**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**15 Statement of Financial Position as at 30th June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	7,187,660	1,698,085
Current portion of receivables from exchange transactions	16(a)	31,935,272	20,753,985
		<b>39,122,932</b>	<b>22,452,070</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	17	53,222,851	53,977,245
		53,222,851	53,977,245
<b>Total Assets (A)</b>		<b>92,345,784</b>	<b>76,429,315</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	18	1,433,543	2,818,771
Refundable deposits from customers	19	64,000	64,000
<b>Total Liabilities (B)</b>		<b>1,497,543</b>	<b>2,882,771</b>
<b>Net Assets(A-B)</b>		<b>90,848,241</b>	<b>73,546,544</b>
<b>Represented by:</b>			
Accumulated Surplus		35,656,461	18,354,764
Capital Fund		55,191,780	55,191,780
<b>Total Net Assets and Liabilities</b>		<b>90,848,241</b>	<b>73,546,544</b>

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



Chairman of Board

Date 26/09/2024



Finance Officer

ICPAK No 27059

Date 26/09/2024

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

Principal

Date 26/09/2024

16 Statement of Changes in Net Asset for the year ended 30 June 2024

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2022	00	00	11,608,423	55,191,780	66,800,203
Total comprehensive income	-	-	6,746,341	-	6,746,341
At June 30, 2023			18,354,764	55,191,780	73,546,544
At July 1, 2023			18,354,764	55,191,780	73,546,544
Total comprehensive income			17,301,697		17,301,697
At June 30, 2024			35,656,461	55,191,780	90,848,241

Note:

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

**RANGWE TECHNICAL AND VOCATIONAL COLLEGE**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**17 Statement of Cash Flows for the year ended 30 June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt. Grants	6	500,000	1,999,760
Rendering of services- fees from students	7	32,697,009	13,167,851
Sale of goods	8	505,099	428,237
Other income	9	1,000	7,000
<b>Total Receipts</b>		<b>33,703,108</b>	<b>15,602,848</b>
<b>Payments</b>			
Employees Cost	11	3,720,493	3,424,940
Use of goods and services	10	20,582,882	9,101,248
Board allowance	12	1,358,916	781,001
Repair, Maintenance and improvement	14	1,609,882.00	498,908
<b>Total Payments</b>		<b>27,272,173</b>	<b>13,806,097</b>
<b>Net Cash Flows from operating activities</b>	22	<b>6,430,935</b>	<b>1,796,751</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	17	(811,360)	(1,219,650)
<b>Net cash flows used in investing activities</b>		<b>(811,360)</b>	<b>(1,219,650)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	21	(200,000)	(100,000)
Increase in deposits		70,000	
<b>Net cash flows used in financing activities</b>		<b>(130,000)</b>	<b>(100,000)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>5,489,575</b>	<b>477,101</b>
Cash and Cash equivalents at 1 JULY	15	<b>1,698,085</b>	<b>1,220,984</b>
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>7,187,660</b>	<b>1,698,085</b>

The cash flow statement is prepared using the direct method.  
The Financial Statements set out on pages 1 to 5 were signed by:

.....  


**Chairman of Board**

**Date 26/09/2024**

.....  


**Finance Officer**

ICPAK No 2759

**Date 26/09/2024**

.....  


**Principal**

**Date 26/09/2024**

**18 Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2024**

<b>Description</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>Utilization Difference</b>
	<b>2023-2024</b>	<b>2023-2024</b>	<b>2023-2024</b>	<b>2023-2024</b>	<b>2023-2024</b>	<b>2023-2024</b>
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other govt entities and govt grants	0	(00)	0	500,000	500,000	0%
Rendering of services- fees from students	28,547,680	(00)	28,547,680	11,943,024	-16,604,656	-58%
Other income	00		00	506,099	506,099	0%
<b>Total Income</b>	<b>28,547,680</b>	<b>(00)</b>	<b>28,547,680</b>	<b>12,949,123</b>	<b>-15,598,557</b>	<b>-54%</b>
<b>Expenses</b>						
Compensation of employees	5,880,000	-	5,880,000	3,734,233	2,145,767	36%
Use of goods and services	21,017,680	(00)	21,017,680	20,923,795	93,885	0.4%
Remuneration of the Board	1,650,000	(00)	1,500,000	1,358,916	141,084	9%
<b>Total Expenditure</b>	<b>28,547,680</b>	<b>(00)</b>	<b>28,547,680</b>	<b>26,016,944</b>	<b>2,380,736</b>	<b>8.3%</b>
<b>Defecit For the Period</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>(13,067,821)</b>	<b>(13,217,821)</b>	
<b>Capital Expenditure</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>811,360</b>	<b>811,360</b>	

**BUDGET EXPLANATORY NOTES**

Explanation of differences between budget and actual amounts

- 1) Expected income target was not received because most of the fee received this financial year was used to recover fee arrears as per the requirement. (out of ksh 30,000 govt capitation the college received ksh 14,000. Nothing was received on govt scholarship)
- 2) Under absorption of Personal Emolument was due to the fact that the College did not manage to employ all the staff as per the TVET Teaching and Non-Teaching staff establishment because of lack of liquid cash.
- 3) In the financial performance revenue of ksh 44,884,395 includes receivables of ksh 31,935,272, while the variation in the expenditure is due to depreciation and amortization expenses

## **19 Notes to the Financial Statements**

### **1. General Information**

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

### **2. Statement of Compliance and Basis of Preparation**

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

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

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

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

***iii. Early adoption of standards***

Rangwe Technical did not early-adopt any new or amended standards in year 2024.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board on 12<sup>th</sup> July 2023.

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

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

**c) Taxes**

***Current income tax***

The Institution is exempt from paying taxes.

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

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

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

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

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

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

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

**f) Leases**

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

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge 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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

The 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) are set out in *Note xx*.

### ***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.

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*.

#### **k) Provisions**

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

#### ***Contingent liabilities***

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

#### ***Contingent assets***

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

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

**m) Nature and purpose of reserves**

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

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

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

**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 period, are recognized as income or expenses in the period 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 period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

The *Rangwe TVC* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the 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.

The College does not have any Service concession arrangements.

**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 the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**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.

**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, 2024.

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

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

#### **i. Provision for bad debt**

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

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

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**ii. Provision for doubtful debt**

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

Currently the College has not made any provisions.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	500,000	1,999,760
<b>Total Government Grants and Subsidies</b>	<b>500,000</b>	<b>1,999,760</b>

**7. Rendering of Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	00	00
Activity Fees	00	00
Administration cost	2,870,960	00
Local Transport & Travelling	00	00
Practical	00	00
Electricity, Water & Conservancy	00	00
Repair, Maintenance & Improvement	00	00
Personal Emolument	1,445,520	00
Student ID	43,600	109,550
Student Organization	262,250	97,125
Medical fee	254,155	224,500
Attachment	430,746	89,500
Internet (Computer fee)	36,100	59,300
KNEC	4,814,608	1,802,436
TVETA fee	57,500	116,200
Development	698,900	00
Registration fee	166,900	75,120
Accrued fee	31,935,272	20,753,985
KUCCPS	861,784	
<b>Total Revenue from The Rendering Of Services</b>	<b>43,878,295</b>	<b>23,327,716</b>

From cash flow total revenue is Ksh 33,703,108 this includes debtors of Ksh 20,753,985 for FY 2022/2023 and prepaid fee of Ksh 241,150.

From note 7 above, the actual revenue is Sh.11,943,024 (43,878,295-31,935,272) as compared to Sh. 2,382,411 collected last year. This is an indication that of the total billings per year, the College collects an average of 46% of expected income this is because out Ksh. 30,000 per student which supposed to be paid by the Government, College received ksh 14,000.

**8. Sale of Goods**

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding fees	203,750	184,530
Cafeteria sales	301,349	243,707
<b>Total Revenue from Sale of Goods</b>	<b>505,099</b>	<b>428,237</b>

Other income amounting to Ksh. 505,099 relates to cafeteria sales and Boarding fees. This collection will offset the related expenses.

**9. Miscellaneous Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender	1,000	7,000
<b>Total other income</b>	<b>1,000</b>	<b>7,000</b>

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**10. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Administration cost	4,917,744.50	2,247,393.20
Accrued Administrative cost	10,500	-94,640.00
Local Transport & Travelling	2,923,605.00	1,308,720.00
Tuition (S.E.S)	2,187,352.00	1,464,343.00
Accrued Tuition 2022/2023	-789,719.00	-133,925
Accrued Tuition	0	789,719.00
Examination	3,288,040.00	1,360,470.00
Activity	1,595,415.00	604,250.00
Accrued Activity 2022/2023	-84,400.00	84,400.00
Practical	2,507,387.00	969,385.00
Accrued Practical 2022/2023	0	-32,000
Electricity, Water & Conservancy	896,875.00	558,648.00
Accrued Development	-125,000.00	125,000.00
Internet	72,039.00	63,789.00
Student ID	70,800.00	73,500.00
Accrued Student ID 2022/2023	-39,300.00	-16,700.00
Accrued Student ID	20,270	39,300.00
Student Organization	86,825.00	33,050.00
Attachment	344,900.00	52,100.00
Accrued Attachment	30,100	
Medical	44,550.00	25,420.00
Kitchen	505,850.00	340,180.00
Accrued Kitchen 2022/2023	-147,070.00	-22,500.00
Accrued Kitchen	51,350	147,070.00
Security	432,000.00	
TVETA	141,000.00	
KUCCPS	568,500.00	
<b>Total good and services</b>	<b>19,509,613.5</b>	<b>9,986,972.2</b>

Note the actual use of goods and services for 2024 was kshs 20,962,485 less accrued payables for 2022/2023 kshs 1,452,869 plus accrued payables for 2023/2024 kshs 197,640 add upto kshs 19,509,613

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**11. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	3,720,492.50	3,424,940
Accrued Salaries and wages for FY 2022/2023	-54,680.00	(240,160)
Salaries and wages Accrued	68,420	54,680
<b>Employee Costs</b>	<b>3,734,232.5</b>	<b>3,239,460</b>

**12. Board Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Allowances	1,097,524	531,500.
Other Board Expenses	261,392	249,501
<b>Total</b>	<b>1,358,916</b>	<b>781,001</b>

**13. Depreciation and Amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	1,565,754	4,317,911
<b>Total depreciation and amortization</b>	<b>1,565,754</b>	<b>4,317,911</b>

**14. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Repairs and Maintenance</b>	<b>1,609,882</b>	<b>498,908</b>
Accrued Repair and Maintenance 2022/2023	-212,700	-20,580
Accrued Repair and Maintenance	17,000	212,700
<b>Total Repairs and Maintenance</b>	<b>1,414,182</b>	<b>691,028</b>

**15. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	7,127,110	1,678,234
Cash in Hand	60,550	19,851
<b>Total Cash and Cash Equivalents</b>	<b>7,187,660</b>	<b>1,698,085</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1265847177	7,127,110	1,678,234
<b>Sub- Total</b>			
Cash in Hand		60,550	19,851
<b>Grand Total</b>		7,187,660	<b>1,698,085</b>

**16. Receivables from Exchange transactions**

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

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	31,935,272	20,753,985
<b>Total Current Receivables</b>	<b>31,935,272</b>	<b>20,753,985</b>

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

Description	2023-2024		2022-2023	
	Kshs	%	Kshs	%
Over 3 years	31,935,272	100%	20,753,985	100%
<b>Total</b>	<b>31,935,272</b>	<b>%</b>	<b>20,753,985</b>	<b>%</b>

**16 (c) Receivables from Non-Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Recurrent Grants*	500,000	1,999,760
<b>Total Current Receivables</b>	<b>500,000</b>	<b>1,999,760</b>

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

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**17. Property, Plant and Equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	2.5%		12.5%			12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1st July 2022</b>	<b>55,191,780</b>	<b>00</b>	<b>672,100</b>	<b>00</b>	<b>00</b>	<b>635,770</b>	<b>854,180</b>	<b>57,353,830</b>
Additions	00	00	1,219,650	00	00	00	00	1,219,650
<b>At 30<sup>th</sup> June 2023</b>	<b>55,191,780</b>	<b>00</b>	<b>1,891,750</b>	<b>00</b>	<b>00</b>	<b>635,770</b>	<b>854,180</b>	<b>58,573,480</b>
Additions	00	00	326,980	00	00	00	484,380	811,360
<b>At 30<sup>th</sup> June 2024</b>	<b>55,191,780</b>	<b>00</b>	<b>2,218,730</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>1,338,560</b>	<b>59,384,840</b>
<b>Depreciation</b>								
Depreciation 2022/2023	(1,311,667)	(00)	(220,304)	(00)	(00)	(60,845)	(00)	(1,592,816)
Depreciation 2023/2024	(1,278,875)	(00)	(233,639)	(00)	(00)	(53,240)	(00)	(1,565,754)
<b>Accumulated Depreciation as at 30<sup>th</sup> June 2023</b>	<b>(5,315,637)</b>	<b>(00)</b>	<b>(583,259)</b>	<b>(00)</b>	<b>(00)</b>	<b>(263,093)</b>	<b>(00)</b>	<b>(6,161,989)</b>
<b>Net book values as at 30<sup>th</sup> June 2023</b>	<b>51,155,018</b>	<b>00</b>	<b>1,542,130</b>	<b>00</b>	<b>00</b>	<b>425,917</b>	<b>854,180</b>	<b>53,977,245</b>
<b>Net book values as at 30<sup>th</sup> June 2024</b>	<b>49,876,143</b>	<b>00</b>	<b>1,635,471</b>	<b>00</b>	<b>00</b>	<b>372,677</b>	<b>1,338,560</b>	<b>53,222,851</b>

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**17 (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:

<b>Description</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	00	00	00
Buildings	55,191,780	5,315,637	49,876,143
Plant And Machinery	635,770	263,093	372,677
Office Equipment, Furniture, And Fittings	2,218,730	583,259	1,635,471
<b>Total</b>	<b>58,046,280</b>	<b>6,161,989</b>	<b>51,884,291</b>

**18. Trade and Other Payables**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	129,220		1,398,189	
Fees paid in advance	311,150		241,150	
Salary deductions	68,420		54,680	
Other Payables	924,752		1,124,752	
<b>Total Trade and Other Payables</b>	<b>1,433,542</b>		<b>2,818,771</b>	
<b>Ageing analysis:</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
Under one year	508,790	35%	1,694,019	60%
Over 3 years	924,752	65%	1,124,752	40%
<b>Total (to tie to totals above)</b>	<b>1,433,542</b>	<b>100%</b>	<b>2,818,771</b>	<b>100%</b>

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**19. Refundable Deposits from Customers/Students**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money	64,000		64,000	
<b>Total Deposits</b>	<b>64,000</b>		<b>64,000</b>	
<b>Ageing analysis:</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
1-2 years	64,000	100%	6,4000	100%
<b>Total (to tie to totals deposits above)</b>	<b>64,000</b>	<b>100%</b>	<b>64,000</b>	<b>100%</b>

**20. Payments received in advance.**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	311,150		241,150	
<b>Total</b>	<b>311,150</b>		<b>241,150</b>	
<b>Ageing analysis:</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
Under one year	311,150	100%	241,150	100%
<b>Total</b>	<b>311,150</b>	<b>100%</b>	<b>241,150</b>	<b>100%</b>

**21. Borrowings**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Balance at beginning of the period	1,124,752		1,224,752	
Repayments of external borrowings during the year	(200,000)		(100,000)	
<b>Balance at end of the period</b>	<b>924,752</b>		<b>1,124,752</b>	

**22. Cash generated from operations.**

	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax	17,301,697	6,746,331
<b>Adjusted for:</b>		
Depreciation	1,565,754	4,317,911
Financial cost	130,000	00
<b>Working Capital Adjustments</b>		
Increase in Receivables	(11,181,287)	(10,209,865)
Decrease in Payables	(1,385,229)	842,364
Increase in payments		100,000
<b>Net Cash Flow from Operating Activities</b>	<b>6,430,935</b>	<b>1,796,751</b>

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

**23. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

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Description	Total amount Kshs	Fully performing Kshs
<b>At 30 June 2021</b>		
Receivables from exchange transactions	4,515,850	4,515,850
Receivables from non-exchange transactions	1,500,000	1,500,000
Bank balances	329,155	329,155
<b>Total</b>	<b>6,345,005</b>	<b>6,345,005</b>
<b>At 30 June 2022</b>		
Receivables from exchange transactions	10,544,120	10,544,120
Bank balances	1,193,398	1,193,398
<b>Total</b>	<b>11,737,518</b>	<b>11,737,518</b>
<b>At 30 June 2023</b>		
Receivables from exchange transactions	20,753,985	20,753,985
Bank balances	1,698,085	1,698,085
<b>Total</b>	<b>22,452,070</b>	<b>22,452,070</b>
<b>At 30 June 2024</b>		
Receivables from exchange transactions	31,935,272	31,935,272
Bank balances	7,187,660	7,187,660
<b>Total</b>	<b>39,122,932</b>	<b>39,122,932</b>

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

**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 xxxx

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	
<b>At 30 June 2021</b>				
Trade Payables	159,200	00	00	159,200
Current Portion Of Borrowings	00	00	1,224,752	1,224,752
<b>Total</b>	<b>159,200</b>	<b>00</b>	<b>1,224,752</b>	<b>1,383,952</b>
<b>At 30 June 2022</b>				
Trade Payables	240,160	320,345		560,505
Current Portion Of Borrowings			1,224,752	1,224,752
<b>Total</b>	<b>240,160</b>	<b>320,345</b>	<b>1,224,752</b>	<b>1,785,257</b>
<b>At 30 June 2023</b>				
Trade Payables	54,680	1,398,189		1,452,869
Current Portion Of Borrowings			1,124,752	1,124,752
<b>Total</b>	<b>54,680</b>	<b>1,398,189</b>	<b>1,124,752</b>	<b>2,577,621</b>
<b>At 30 June 2024</b>				
Trade Payables	68,420	337,583		406,003
Current Portion Of Borrowings			924,752	924,752
<b>Total</b>	<b>68,420</b>	<b>337,583</b>	<b>924,752</b>	<b>1,330,755</b>

**(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.

**iv) Capital Risk Management**

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Retained Earnings	35,656,461	18,354,764
Capital Reserve	55,191,780	55,191,780
<b>Total Funds</b>	<b>90,848,241</b>	<b>73,546,544</b>

**24. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

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Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	500,000	1,999,760
<b>b) Key Management Compensation</b>		
Board Allowance	1,358,916	781,001
<b>Total</b>	<b>1,858,916</b>	<b>2,780,761</b>

**25. Segment Information**

*The college does not operate in different regions.*

*The college does not have anything to report on pages 35 to 39*

- *The college has not received audit report for the financial 2022-2023*
- *The college did not receive any funding for capital expenditure so it did not implement any projects*
- *There is no money from the Ministry that came direct to the college account.*
- *The college does not have any climate relevant and disaster expenditure in the financial year under review*

**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**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 the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

..... 

**Name**  
**Accounting Officer**  
**(Enter title of Head of entity)**  
**Date**

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**Appendix II: Projects Implemented by (The Entity)**

**Projects**

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	NONE					
2						

**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	NONE						
2							
3							

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity.....

Name of beneficiary entity.....

<b>Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June (Current FY)</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
NONE					
Total					

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

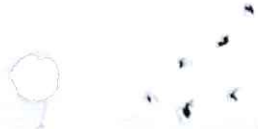
**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

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**Appendix IV: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NONE									



**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 Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
NONE						

