

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL


PARLIAMENT
OF KENYA
LIBRARY

ON

**RIRAGIA TECHNICAL AND VOCATIONAL
COLLEGE**

FOR THE YEAR ENDED

30 JUNE, 2024

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



RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College
RIVC	Riragia Technical and Vocational College

2. Key Entity Information and Management

(a) Background information

Riragia technical and vocational college was established under the TVET Act 2013 on 15/07/2020. Riragia is domiciled in Kegogi, approximately 1 kilometre from Kegogi market. The institution is under the Ministry of Education.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to train students in technical courses.

VISION;

A top- class institution empowering youth with market driven technical and vocational skills and competencies for a brighter future

MISSION

To develop highly qualified human resources by providing quality training applied research and entrepreneurship skills that are responsive to industry demands.

MOTTO:

To understand the course of things to innovate new ways of doing them better "home of innovation"

CORE VALUES;

Riragia Technical and vocational college is committed to the following core values:

- i) Professionalism and Integrity
- ii) Transparency and Accountability
- iii) Creativity and Innovation
- iv) Teamwork
- v) Quality service delivery
- vi) Dynamism

(c) Key Management

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

1. Board of governors
2. Principal/ Bog Secretary
3. Principal 's Management Committee
4. HOD'S

(d) **Fiduciary Management**

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

1.	Principal	Benster Obobe
2.	Deputy Principal – Administration - Academics	John Mareri Dennis Ongoto
3.	Registrar	Joseph Ramben
4.	Dean of students	Joab Asande
5.	Head of Finance	Peterson Ogowora
6.	Head of procurement	Beryl Mainga
7.	A.g Human resource	Peterson Ogowora

Key Entity Information and Management

(e) **Fiduciary Oversight Arrangements**

- Administration Finance and Infrastructure
 - Jared Onyach
 - Lucy wahito
- Audit, Risk and Compliance (ARC) Committee
 - Peter kigen
 - Elijah Obwori
 - Christine sagwa
- Education, Research and Training committee
 - Athanas mokaya
 - John
 - Enock ogembo

(f) Entity Headquarters

P.O. Box 1809,
Kisii.
Kisii-kisumu highway
KENYA

(g) Entity Contacts

Telephone: (254) 741354419
E-mail: riragiatti@gmail.com
Website: www.riragiatti.go.ke

(h) Entity Bankers

Kcb limited
Kisii West
Kisii Kisumu highway

(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





County Attorney
(Provide address for the county attorney)

3. The Board of Governors

<i>Member</i>	<i>Details</i>
 <p>Mr. Patrick Ogecha Nyagosia (Chairman)</p>	<p>Holds MEd leadership, Adm and Management, B. ed science. Strategic Leadership Development (KSG) Was a quality Assurance and standards (MOE), Provincial Director of Education (Coast, Western & Kisumu Counties) Was a trainer in leadership management and administration & guidance and counselling services. Board of management- chair Kisii National school, member Maseno National school, Lugari National diploma teachers' college, and St. Theresa's girls school He is an overall education consultant</p>
 <p>Mr. Jared Onyach (Member)</p>	<p>Holds Msc. in human resource development Certified Public Secretaries (Kenya) Certified Organizational Development (OD) Practitioner, East African Support Unit for NGOs (EASUN) He is a specialist in human resource management, strategic management and organizational management, he chairs general purpose and finance committee.</p>
 <p>Arc. Enock Ogembo (Member)</p>	<p>Holds MSc Project Management from JKUAT, Bachelor of landscape architecture from JKUAT He is a General Manager Shajena Enterprises limited and Chief Executive Officer Pixel Studio Limited and he is also a landscape architect consultant in Primescapes Limited. He is accredited in building works by NCA.</p>
 <p>Christine Sagwa (Member)</p>	<p>She holds BA from Moi University Eldoret She holds postgraduate diploma in law, she also has a certificate of pupillage – Asati & Company Advocates She is an advocate of the high court of Kenya. Currently she is managing CR Sagwa & Co. Advocates.</p>

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 <p>Mr. Benster Obobe (Secretary)</p>	<p>Holds Bsc in Agricultural Education and Extension 2000-2012 trainer at Nyamira Technical Secondary 2013 – 2020 HOD Agriculture Department at Mawego Technical Training Institute Currently he is the principal Riragia Technical and Vocational College.</p>
 <p>Mr. Peter Kigen (Member)</p>	<p>Holds Bachelor of commerce (Accounting Option) from The Catholic University of East Africa He is CPA (K) holder He is a registered member of ICPAK He Works as an accountant with KTDA He chairs risk and audit committee</p>
 <p>Mr. Athanas Mokaya (Member)</p>	<p>Holds higher diploma in electrical and electronics (power electronics option) Holds MBA from JKUAT A former principal Kisii National Polytechnic Has got overwhelming experience in leadership and TVET matters. He chairs education and research committee</p>
 <p>Lucy wahito (Member)</p>	<p>Holds a Masters degree in strategic management and Bachelors degree in business administration human resource management option. Has worked in various financial institutions supporting business development initiatives and trained community based organisations</p>




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4. Key Management Team



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

S N	Member/ Director	Details
1	 Benster Obobe (Principal)	Holds Bsc in Agricultural Education and Extension 2000-2012 trainer at Nyamira Technical 2013 – 2020 HOD Agriculture Department at Mawego Technical Training Institute 2021-2022 deputy principal Riragia TVC Currently he is the principal Riragia Technical and Vocational College
2	 John Mareri(Deputy principal)	Holds BED Technology from University of Eastern Africa Baraton. 2016-2023 HOD mechanical and automotive Mawego National Polytechnic, and currently he is the deputy principal Riragi TVC

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3.	 Dennis Ongoto	Holds MILS. BA. PGDE Examination officer Dean of students Currently deputy principal academics Riragia TVC
4.	 Joab Osebe (Ag. Dean of Student)	Completed Bitech. Mechanical from T-UK awaiting graduation. Diploma and craft in mechanical (production) He was a plant technician at KTDA. Mechanical technician at Kisii National polytechnic and currently Ag. Dean of student and trainer at Riragia TVC
5.	 Joseph Ramben(Ag.Registrar)	Holds a bachelor's degree in Electrical and Electronics Engineering from Technical University of Mombasa and post graduate Diploma in Technical trainer Education from Kenya Technical Trainers College (KTTC) now Known as Kenya School of TVET. Currently he is the Ag. Registrar Riragia TVC and research coordinator

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6.	 Peterson Ogwora (Head of Finance)	CPA part II Holder from Kisii college of accountancy (KCA) 2011-2020 Accountant Gekongo secondary school. 2021 Ag. Finance officer Riragia TVC
7.	 Beryl Awuor Mainga (Head of Procurement)	Bachelor's Degree in Business Management (Purchasing and supply chain management) 2020-2021 Intern Omuga TVC 2021 Ag. Procurement officer Riragia TVC.

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5. Chairman's Statement

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of that institution, which give a true and fair view of the state of affairs of Riragia Technical and vocational college at the end of the financial period and the operating results of the Riragia Technical and vocational college for that period. The Board members are also required to ensure that the Riragia Technical and vocational college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Riragia Technical and vocational college. The Board members are also responsible for safeguarding the assets of the Riragia Technical and vocational college.

The Board members are responsible for the preparation and presentation of Riragia Technical and vocational college financial statements, which give a true and fair view of the state of affairs of the Riragia Technical and vocational college for and as at the end of the financial year on **JUNE 30TH, 2024**. This responsibility includes:

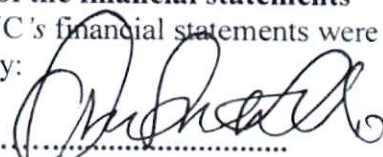
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Riragia Technical and vocational college;
- (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 Riragia Technical and vocational college;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Riragia Technical and vocational college'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 Riragia Technical and vocational college's financial statements give a true and fair view of the state affairs of Riragia Technical and vocational college's transactions during the financial year ended **30th June, 2024**, and of Riragia TVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Riragia Technical and vocational college, which have been relied upon in the preparation of Riragia Technical and vocational college'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 Riragia Technical and vocational college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Riragia TVC's financial statements were approved by the Board on **30th June, 2024** and signed on its behalf by:


.....
Name *Samuel Mngosira*
Chairperson of the Board


.....
Name *Paul M...*
Accounting officer/Principal



6. Report of the Principal

Introduction.

Presented here is the yearly report and financial statements of Riragia TVC for the financial year ended 30th June 2024 as required by the Public finance management act 2012.

Riragia TVC's performance during the year under review is impressive despite being its maiden year since inception. The government capitation still remains as the institute's main source of income.

The college has continued with its core business of disseminating knowledge through, training and innovation, the current trainee population has increased to 1310 and is expected to increase further by the end of next financial year.

Development project

Currently there is no major ongoing development project. However, we have an intention of constructing temporary structures in the college compound to be used during practical lessons. In the just ended financial year the college has managed to do the following projects:

- i) Construction of modern gate
- ii) Construction of electrical workshop
- iii) Equipping airdressing and beauty workshop
- iv) Construction of four classes etc.

Operational results.

Financial resources as been a big challenge in the just ended year.

At the close of the financial year, the college had received ksh 19,213,283 as capitation grant and scholarship from Gok.

The college therefore had a total income of ksh 33,852,529 against total expenditure of ksh29,110,206 Giving a surplus of 4,642,323

We hope to fence and secure the college compound as well as work towards getting water tanks to supply enough water in the college, we are also working in conjunction with CDF and other donors to improve infrastructure. Hopefully this will be witnessed in the next Financial year.

Strategic Outlook

The college has continued to be guided by the strategic plan 2023-2024, which emphasises the development of key functional areas of teaching and learning, research and innovation and community outreach. The activities undertaken in this areas are aimed at enhancing the college visibility and competitiveness both locally and internationally. The college is also cognisant of the ever-present need to remain relevant to the needs of society and has always sought to

integrate with the wider the wider Kenyan public by paying attention to the national development agenda.

Future Outlook

The college will continue to revamp its core income generating activities with a view to enhancing and sustaining its financial base. Going forward, the college will enable Agriculture department as the main vehicle to generate funds A raft of other proposals are also under consideration and will receive the support of the Board of Governors as and when they are presented. I would like to congratulate the management for these efforts.

Conclusion

On behalf of Riragia Technical and Vocational collge management and staff, I wish to take this opportunity to thank the government , our development partners and all stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the college board of governors to help provide policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the college.

Thank you

for

Benster Obohe
Benster Obohe



The principal

7. Statement of Performance against Predetermined Objectives

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

Riragia Technical and vocational College has six strategic pillars and objectives within its strategic plan. These pillars are as follows:

- Pillar 1: To achieve financial viability and sustainability.
- Pillar 2: To develop a strong and a well-managed institution.
- Pillar 3: To provide quality education and technical training.
- Pillar 4: To improve corporate governance and image.
- Pillar 5: To expand and improve the physical facilities.
- Pillar 6: To enhance risk management and disaster preparedness.

Being the third year of operation Riragia TVC will develop its annual work plan based on the above 6 pillars. Assessment of the Board performance against its annual work plan will be done on quarterly basis.

8. Corporate Governance Statement

The Board has a duty to the people of Kenya to ensure that Riragia TVC achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant acts of parliament and all ministry directives and guidelines issued from time to time.

The statutory functions of the Board includes;

- Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET act 2013
- Develop and implementing of Riragia TVC strategic plan.
- Administering and managing the property of the institution.
- Mobilizing resources for the institution.
- Providing for the welfare of the students and staff of the institution.
- Making regulations governing organization and conduct and discipline of staff students.
- Recruiting and appointing trainers from among qualified professionals.
- Encouraging , nurturing and promoting democratic culture, dialogue and tolerance in the institution.
- Preparing comprehensive annual reports on all areas of their mandate.
- Discharging all other functions conferred upon by the TVET Act 2013 or any other written laws.

Risk Management and Internal Controls.

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The risk management policies are established to identify and analyse the risk faced by the institution and to set appropriate risk limits and controls and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently the institution identifies and manages risk through in- house risk review enhanced by compliance by internal and external audits.

The institution has in place a system of internal control systems with defined operating procedures, financial and operating controls to ensure that resources are safeguarded. transactions authorised , validated and reported in line with IPSAS.

Conflict of Interest

All Board members are under a duty to avoid any conflict of interest. This entails not engaging directly or indirectly in any business that competes or conflicts with the institution's business.

The Board has established a robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Compliance

The Board confirms that it is satisfied that though the institution has inadequate resources it can continue operating for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the laws in particular to;

The constitution of Kenya, 2010

TVET Act ,2012.

PFM Act ,2012.

Procurement and Asset disposal Act 2015.

IPSAS Standards.

All other relevant laws in its operation (ministry of education circulars).

Riragia Technical and Vocational College also has internal policies which are yet to be ratified and used in its operations. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are inter alia; financial management policies, procurement policies and academic policies.

9. Management Discussion and Analysis

INTRODUCTION.

This discussion and analysis provide an overview of the results of activities and financial position of Riragia TVC. Being the third year of operation, comparative information is available for comparison over the previous year. This overview gives a brief financial statements and the notes that follow.

FINANCIAL HIGHLIGHTS.

Revenue.

Riragia TVC's revenue stood at ksh 33,852,529. The trainee's population at the close of financial year stood at 1,300 trainees. It is hoped that in the next FY 2024/2025, income of the institution will increase as a result of successful registration with HELB and KUCCPS.

Expenditure.

Total expenditure stood at at ksh 29,110,080.

It should be noted that employee costs stood at 20.2% of total costs. This is within the recommended ceiling of 30%.

Board expenses stand at 1.8% of total expenditure. This is within the recommended ceiling of 5%.

Use of goods and services stood at 47% of total expenditure. This comprises basically of expenses incurred to operationalize the college. It is worth noting that due to lack of enough funds, trainees are lacking enough lecture halls. However, the college has managed to construct four lecture halls to facilitate smooth learning in the next financial year.

Compliance with statutory Requirements.

The college is operating under legal frameworks necessary under public sector requirement such as;

- . The constitution of Kenya, 2010
- . TVET Act, 2013
- . PFM Act, 2012
- . Procurement and Asset disposal Act, 2015
- . IPSAS standards.
- . All other relevant laws in its operation (regular circulars from treasury and the ministry).

The college has internal policies to be ratified to be used in its future operations. The Board is to discuss and approve the following policies in the next financial year:

- . Academic policy.

- . Financial Management policy.
- . Procurement Policy.
- . Risk Analysis policy.
- . Operational Risk policy.

The Board has overall responsibility for the oversight of the college risk management framework. The college is developing risk management policies to identify and analyse the risk faced by the college, set appropriate risk limits and controls and monitor risk and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the college activities.

The principal will then oversee how management monitors compliance with the college risk management policies and procedures review the adequacy of the risk management frame work in relation to the risk faced by the college. The college can also be exposed to the following risks in the future:

Liquidity risk.

This is the risk that the college will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The college's approach to manage liquidity is to ensure as far as possible, that there is always sufficient cash to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the college reputation.

Credit risk.

Credit risk is the risk of financial loss to the college if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from student minimizes the credit risk exposure. The college will in the future implement fees payment policy which will define how and when fees are supposed to be paid thus minimizing the credit risk exposure.

10. Environmental And Sustainability Reporting Statement

Riragia TVC exists to transform lives. This is our main purpose: the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational excellence.

Environmental performance

The college's approach to sustainability is based on the college mission to develop highly qualified human resources by providing quality education, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to cushion its operations. It is also establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The college will also sign an MOU with at least two industry players to among others enhance its capability to generate income in collaboration with industry.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned at increasing the capacity and capability of the trainers through development workshops and trainings.

Riragia TVC strives to be a responsible business representing the higher standards of ethics and professionalism. We have reviewed the global best practise guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that Riragia TVC is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and pro activeness. Riragia TVC, compliance refers to our commitment to upholding all legal requirements, and willing to observe acknowledgement, and respect community values and laws.

- Recognise that privacy is a fundamental right, and we will comply with all laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Riragia TVC values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will also follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certificate and other environmentally sustainable best practice.

Employee welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the Riragia TVC are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

Riragia TVC respect all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our employees at all times, recognize that the success of Riragia TVC is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will also ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights all people, involved in our business. Riragia TVC is dedicated to protecting human rights. We practice and commit to equal opportunity and will always abide by fair labour practices.

Additionally, Riragia TVC will ensure that our activities do not directly or indirectly violate human rights in any way.

Market place practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. There are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees.

Corporate Social Responsibility / Community Engagements.

Riragia TVC recognises an expectation to have a positive impact on our community, and we promote this expectation through social work, volunteering and community services.

Our pro activeness is manifested by emphasising and recognizing human rights locally and globally and actively engaging with our communities through volunteering and community services, while always protecting and and respecting our natural environment through our actions and policies.

During the year the college lost one of its trainees where the college actively participated in its burial arrangements

As an institution, we will formulate policies and take action to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can be ultimately be better together. Our policies , practices , programs , activities and decisions regarding employment , hiring , assignment , promotion, compensation , volunteerism and internships are not based on a person's ethnicity ,colour , sex, age, religion, national origin, mental or physical disability , ancestry , sexual orientation , gender identity or expression , marital status , source of income, parental status , housing status, or other protected status. We strongly encourage women, youth, persons with disabilities and members of the community to join the institution and live our shared values.

Riragia TVC will always;

- . Respect and uphold applicable local, county, and national laws to the best of our abilities.
- . Honour and review all internal policies for complete and responsible implementation.
- . Ensure that all business transactions and relationships are legitimate, free of influence and bribery.
- . keep all partnerships and collaborations transparent and open.

11. Report of the Board of Management

The board members submit their report together with the audited financial statements for the year ended 30th June 2024. Which shows the state of Riragia Technical and vocational college's affairs.

Principal activities.

The principal activity of Riragia Technical and vocational College is to provide training in technical and vocational skills, research, innovation and management services. In addition, the college intends to participate in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results.

The results of Riragia technical and vocational college for the year ended 30th June 2024 are set out on pages 1-5


Board of Governors

The members of the Board who served during the year are shown on page vi-vii

Auditors

The Auditor General is responsible for the statutory audit of Riragia Technical and vocational college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However the auditor's report for 2021-2022 is available with A qualified opinion.

By Order of the Board


.....
Secretary of the Board



Date: 08/04/2025
.....

12. Statement of Board of Management Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of that institution, which give a true and fair view of the state of affairs of Riragia Technical and vocational college at the end of the financial year and the operating results of the Riragia Technical and vocational college for that year. The Board members are also required to ensure that Riragia Technical and vocational college keeps proper accounting records which disclose with reasonable accuracy the financial position of the Riragia Technical and vocational college. The Board members are also responsible for safeguarding the assets of the Riragia Technical and vocational college.

The Board members are responsible for the preparation and presentation of Riragia Technical and vocational college financial statements, which give a true and fair view of the state of affairs of the Riragia Technical and vocational college for and as at the end of the financial year ended on 30th June 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 Riragia Technical and vocational college;
- (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 Riragia Technical and vocational college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Riragia Technical and vocational college'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 Riragia Technical and vocational college's financial statements give a true and fair view of the state of Riragia Technical and vocational college's transactions during the financial year ended June 30, 2024, and of Riragia

Technical and vocational college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Riragia Technical and vocational college, which have been relied upon in the preparation of Riragia Technical and vocational college'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 Riragia Technical and vocational college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Riragia Technical and vocational college's financial statements were approved by the Board and signed on its behalf by:

Name..... *Paul Mawani*

Signature..... *[Handwritten Signature]* Board chairperson

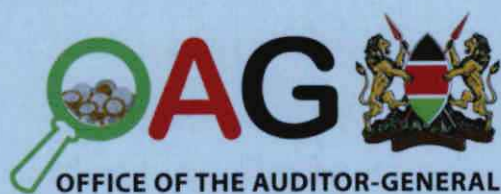
Name..... *Paul Mawani*



Signature..... *[Handwritten Signature]* Principal

REPUBLIC OF KENYA

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



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

Enhancing Accountability

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

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 Riragia Technical and Vocational College on pages 1 to 29, which comprises 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 Riragia 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 Revenue from Exchange Transactions

The statement of financial performance, and as disclosed in Note 7 to the financial statements, reflects fees from students amount of Kshs.14,639,247. However, Management only provided a summary of the income from respective vote heads and no detailed subsidiary ledgers were provided to support the amount disclosed for sub-items in the financial statements.

In the circumstances, the accuracy and completeness of fees from students amount of Kshs.14,639,247 could not be confirmed.

2. Unsupported Property Plant and Equipment

The statement of the financial position reflects property, plant and equipment balance of Kshs.312,439,958 which, as disclosed in Note 18 to the financial statements, includes Kshs.109,661,644 in respect of land and buildings. However, review of the records provided for audit revealed that the College was in possession of two (2) parcels of land of undetermined value within its proximity. However, the College did not have the title deeds of the parcels of land in its custody.

In the circumstances, the ownership of the two parcels of land and, therefore, the accuracy of the land and buildings balance of Kshs.109,661,644 could not be confirmed.

3. Non-Compliance with the Prescribed Financial Reporting Framework

The statement of financial performance reflects total revenue and total expenses amounts of Kshs.33,852,529 and Kshs.29,110,206 respectively, resulting in a surplus for the year of Kshs.4,742,323. Similarly, the statement of cash flows reflects total receipts of Kshs.33,852,529 and total payments of Kshs.29,110,206, leading to net increase in cash and cash equivalents amount of Kshs.4,742,323. This, therefore, means that the statement of financial performance was prepared on cash basis despite increase during the year under review of receivables by Kshs.856,692 and payables by Kshs.30,281. This

was contrary to the prescribed template which requires financial statements of technical and vocational colleges to be prepared on accrual basis of financial reporting.

Further, the statement of financial performance, and as disclosed in Note 14 to the financial statement, reflects Kshs.8,391,971 in respect to development expenditure which is capital in nature. This expenditure has both been expensed and capitalized in the financial statements, resulting in double accounting. The expenditure has also not been disclosed as capital expenditure in a row after surplus for the period in the statement of comparison of budget and actual amounts as required.

In addition, the statement of cash flows does not reflect a note against net cash flows from operating activities as required. Instead, the statement reflects notes against receipts and payments items which are not required. Also, the notes to the financial statements do not include a note on cash generated from operation to reconcile surplus for the year of Kshs.4,742,323 reflected in the statement of financial performance and net cash flows from operating activities amount of Kshs.13,134,294 reported in the statement of cash flows.

Also, while signing the financial statements, the accountant did not indicate his ICPAK Number as required, which may be an indication that the financial statements were prepared by an unqualified accountant.

In the circumstances, the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board in line with Section 81(3) of the Public Finance Management Act, 2012. Therefore, Management was in breach of the law.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of Riragia 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 final receipts budget and actual on comparable basis amounts of Kshs.72,304,000 and Kshs.33,852,530 respectively, resulting in an underfunding of Kshs.38,510,251, or 53% of the budget. Similarly, the College spent Kshs.29,110,080 out of the actual receipts of Kshs.33,852,530, resulting in underutilization of Kshs.4,742,323 or 14%.

The under-funding and under-utilization 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 xxiv which comprises Key Entity Information and Management, Board of Management, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermine Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Report, Report of the Board of Management and Statement of Board of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

Basis for Conclusion

1. Lack of Approved Establishment and Career Progression Guidelines

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects Kshs.5,991,858 in respect of employee costs. Audit review of the documents provided revealed that during the period, the College had a total work force of sixty-two (62) staff out of which, twenty-one (21) were employed by the Public Service Commission and forty-one (41) were employed by the Board of Governors out of which twenty-seven (27) were trainers and fourteen (14) non-teaching staff, all on contractual basis. However, review of records revealed that the College did not have an approved staff establishment whose absence indicated that the College had not yet determined the

Report of the Auditor General on Riragia Technical and Vocational College for the year ended 30 June, 2024

skills and optimal staffing levels required to achieve its goals and objectives. Further, there was no evidence that the College had prepared a human resource plan based on a comprehensive job analysis. In addition, there was no evidence of an approved salary structure and career progression guidelines in place. This was contrary to Section B.2 (1) of Public Service Human Resource Policy, 2016 which requires Every Ministry/State Department to prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans, and Section B 5 (2) of the Public Service Human Resource Manual 2016 which states that all vacancies shall be declared in a prescribed format which shall include: the number of vacancies; when the vacancy occurred; whether the vacancy is within the authorized establishment and other relevant details and B 6 (3) states that in the recruitment process, due consideration will be given to: appropriate organizational structure in each department; optimal staffing levels; and schemes of service and career progression.

In the circumstances, management was in breach of the Public Service Commission human resource policies, and the productivity of the College's staff could not be confirmed.

2. Irregular Procedures on Casuals Engagement

Review of payroll data provided for audit revealed that Kshs.662,590 was incurred on casual's gross pay during the year. However, review of documents provided for audit revealed that Management had not put in place a formal requisition process by the user unit's dependent on specific needs and, therefore, the timing and actual need for their engagement could not be reviewed. Further, from the analysis of payroll data, the casuals were paid at varied rates ranging from Kshs.6,000 to Kshs.8,000 per month and management did not confirm how the pay rates were determined and whether it was within the prescribed limits as per the Kenya labor laws. Management also engaged the casuals for a continuous period of more than three months without reviewing their contracts, contrary to the provisions of Section 37 (1) (b) of the Employment Act. In addition, the reports from the user department/ supervisors as a confirmation of satisfactory performance and, therefore, recommending for payment were not provided. The absence of this critical control process may have exposed the College to pay for no work done or unsatisfactory performance.

In the circumstances, management was in breach of the law, and the value for money realized from the wages of Kshs.662,590 could not be confirmed.

3. Non-Compliance with the Law on Ethnic Diversity in Staffing

Analysis of the personnel records revealed that the College had a total workforce of forty-one (41) staff employed by the Board of Governors, out of which twenty-four (24) were trainers and seventeen (17) were non-trainers. Out of 41 staff, thirty-eight (38) representing 93% were from one ethnic community, contrary to the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Controls and Weaknesses in ICT Environment

Documents provided for audit indicated that the College had in place an ERP system called Optimum that managed the operations of student finance, procurement, human resource and the registry. However, the ERP system procurement documents, signed contract and service level agreement were not provided for audit review and, therefore, the functionality of the IT internal controls embedded in the ERP could not be reviewed. Further, the College had no approved IT strategic plan, no IT steering committee, no IT security policy, no formulated ICT environment control policy and procedures and no training need assessment or evidence of actual trainings conducted within the year under review for the IT personnel on its application and management. In addition, no service level agreement was provided for the contracted company that supplied the ERP system (OPTIMUM) on data rights, storage and breach clause, and despite the ERP system application in all core area of the institution and in consideration of risk associated to the institution like student unrest, fire, computer theft, destruction or viral attacks, there was no offsite back up and disaster recovery plan or offsite backup.

In the circumstances, the ICT internal control system was not effective.

2. Weak Controls Over Fees Revenue

The statement of financial performance, and as disclosed in note 7 to the financial statements, reflects Kshs.14,580,466 in respect of fees from students. However, review of documents provided for audit revealed that there was no billing software in place during the year under review, hence student fee statement could not be generated and records indicating student balances at the beginning of the year and amounts the students were invoiced as fees were not provided for audit review. Further, there was no segregation of duties on billing, receipting, recording payments and reconciliation transactions.

In the circumstances, the College was exposed to potential leakages of revenue which may remain undetected.

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 the Board of Governors

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 also 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

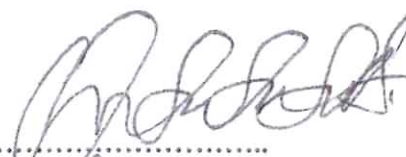
RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

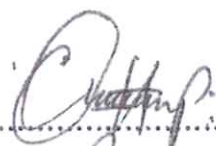
14. Statement of Financial Performance for The Year Ended 30 June 2024

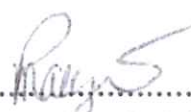
	Notes	FY	FY
		2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government	6	19,213,283	6,183,000
Public Contributions and Donations	-	-	-
		19,213,283	6,183,000
Revenue from Exchange transactions			
Fees from students	7	14,639,247	5,361,305
Sale of goods	8	-	583,000
Revenue from Exchange transactions		14,639,247	5,944,305
Total Revenue		33,852,529	12,127,305
Expenses			
Use of goods and services	9	13,582,357	9,971,069
Employee costs	10	5,991,858	3,342,639
Board Expenses	11	532,000	218,000
Repairs and maintenance	12	587,540	189,480
Finance costs	13	24,354	15,818
Development expenditure	14	8,391,971	-
Total Expenses		29,110,206	13,737,006
Net surplus/deficit for the year		4,742,323	(1,609,701)

(The notes set out on pages 7 to 21 form an integral part of the Annual Financial Statements).

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


 Name Patrick Magoni
 Chairman of Board


 Name Peter Ojor
 Accountant


 Name Paul Mawori
 Principal

Date

Date 08/04/2025

Date

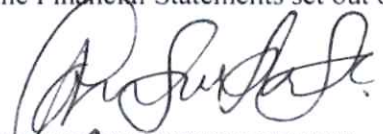



RIRAGIA TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

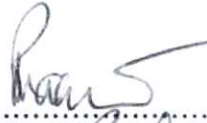
15. Statement of Financial Position as at 30th June 2024

Description	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	6,339,883	1,597,434
Current portion of receivables from exchange transactions	16(a)	6,435,665	5,578,973
Receivables from non-exchange transactions		-	880,000
Inventories	17	312,912	239,320
Total Current Assets		13,088,460	8,295,727
Non-Current Assets			
Property, plant, and equipment	18	312,439,958	304,047,987
Total Non-Current Assets		312,439,958	304,047,987
Total Assets (A)		325,528,418	312,343,714
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	19	2,247,430	2,217,149
Total Current Liabilities		2,247,430	2,217,149
Non-Current Liabilities		-	-
Total non-current liabilities		-	-
Total Liabilities (B)		2,247,430	2,217,149
Net Assets (A-B)		323,280,988	310,126,565
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		10,841,030	6,078,578
Capital Fund		312,439,958	304,047,987
Total Net Assets		323,280,988	310,126,565

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


 Name Paul Mawor
 Chairman of Board


 Name Peter Ojwang
 Accountant


 Name Paul Mawor
 Principal/Manager

Date

Date 08/04/2025

Date



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

16. **Statement of Changes in Net Assets for The Year Ended 30 June 2024**

Description	Revaluation reserve	Accumulated Surplus	Capital Fund	Total
At July 1, 2022	-	6,033,342	304,047,987	310,081,329
Revaluation gain	-	-	-	-
Surplus (deficit) for the year	-	-	-	-
Capital grants received during the year	-	-	-	-
At June 30, 2023	-	6,033,342	304,047,987	310,081,329
At July 1, 2023	-	6,033,342	304,047,987	310,081,329
Revaluation gain	-	-	-	-
Surplus for the year	-	4,742,323	-	4,742,323
Capital grants received during the year	-	-	8,391,971	8,391,971
At June 30, 2024	-	10,841,030	312,439,958	312,439,958

RIRAGIA 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	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government entities	6	19,213,283	6,183,000
Fees from students	7	14,639,246	5,361,305
Sale of goods	8	-	203,000
Total Receipts		33,852,529	11,747,305
Payments			
Use of goods and services	9	13,582,483	9,971,069
Employee costs	10	5,991,858	3,342,639
Board Expenses	11	532,000	218,000
Repairs and maintenance	12	587,540	15,818
Finance costs	13	24,354	189,480
Total Payments		20,718,235	13,737,006
Net Cash Flows from operating activities		13,134,294	(1,989,701)
Cash flows from investing activities			
Development projects	14	8,391,971	-
Net cash flows used in investing activities		(8,391,971)	-
Net Increase in Cash and Cash equivalents		4,742,323	(1,989,701)
Cash & Cash equivalents at the beginning (1 st July 2023)	15	1,597,434	3,587,135
Cash & Cash equivalents at the end. (30 th June 2024)	15	6,339,757	1,597,434

18. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2024

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from National Government entities	36,000,000	-	36,000,000	19,213,283	16,786,717	47%
Fees from students	31,704,000	-	31,704,000	14,639,247	7,246,751	54%
Production	500,000	-	500,000	-	500,000	100%
NGCDF	4,000,000	-	4,000,000	-	4,000,000	100%
Other Income	100,000	-	100,000	-	100,000	100%
Total Income	72,304,000	-	72,304,000	33,852,530	38,510,251	53%
Expenses						
Use of goods and services	37,512,069	-	37,482,069	13,582,357	23,784,955	63%
Employee costs	15,645,931	-	15,645,931	5991,858	9,774,601	62%
Board Expenses	1,508,000	-	1,508,000	532,000	976,000	64%
Repairs and maintenance	5,288,000	-	5,288,000	587,540	4,700,460	89%
Development costs	12,350,000	-	12,350,000	8,391,971	3,958,029	32%
Finance costs	30,000	-	30,000	24,354	5,646	19%
Total Expenditure	72,304,000	-	72,304,000	29,110,080	43,194,045	60%
Surplus For the Period	0	-	0	4,742,323	(4,683,794)	80%

(Budget notes)

(a) Income;

1. The college did not receive all the capitation as budgeted for and collection of fees from trainees had a challenge.
2. NGCDF grants were not received as budgeted.
3. Capitation grant was estimated at ksh 7,500 but the government disbursed at the rate of ksh 3,500 per trainee.

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

(b)Expenses

1. The college anticipated to spend ksh 37,512,069 as use of goods but this was not achieved because the college did not receive the projected revenue.
2. Due to low income management was unable to improve employees salaries as projected in the budget resulting to underutilization as per the budget.
3. The college did not meet Board Expenses, Repair Maintenance and Development costs due to not receiving the projected revenues as stated in the income notes above.

19. Notes to the Financial Statements

1. General Information

Riragia TVC was established under the TVET Act 2013 and commenced its operations on 15/07/2020. The entity is domiciled in kegogi approximately 1 kilometre from Kegogi market. The institute is under the Ministry of Education.

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 Riragia Technical and vocational college accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Riragia Technical and vocational college. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new standards and interpretations issued in the Financial Year.

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to</p>	<p>Applicable: 1st January 2023:</p>

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Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when</p> <p>d) , to update the guidance on IPSAS 41 was issued.</p> <p>e) Amendments to IPSAS 33 classifying financial instruments</p> <p>f) on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issue</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of Riragia TVC.</p> <p>The new standard requires Riragia TVC to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iv. **Early adoption of standards**

Riragia Technical and vocational college did not early-adopt any new or amended standards in year 2022-2023.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 31/07/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. Riragia TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 of these financial statements.

c) Taxes

Current income tax

There were no income tax to be paid for the year 2023-2024.

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

Riragia Technical and vocational college currently does not have any investment properties.

e) Property, plant and equipment

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

f) Leases

Riragia Technical and vocational college currently does not have any Finance lease or operating lease.

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. 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.

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. Riragia Technical and vocational college don't have any provision that some debtors will not honour their obligation to pay.

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. Riragia Technical and vocational college did not amortize any of its Assets during the year under review.

h) Inventories

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

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

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

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

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

i) Provisions

Provisions are recognized when Riragia Technical and vocational college 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 Riragia Technical and vocational college 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

Riragia Technical and vocational college 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

Riragia Technical and vocational college does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Riragia Technical and vocational college 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.

j) 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. Riragia Technical and vocational college recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability. Riragia Technical and vocational college did not have any social benefits during the financial year under review.

k) Changes in accounting policies and estimates

Riragia Technical and vocational college recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee benefits

Retirement benefit plans

Riragia does not provide retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee

benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans.

m) Foreign currency transactions

Riragia Technical and vocational college did not have any foreign currency transactions.

n) 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.

o) Related parties

Riragia 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.

p) Service concession arrangements

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

q) 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.

r) Comparative figures

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

s) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Riragia 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 Riragia TVC.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions 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

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6. Transfers from National Government entities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfer from Ministry of Education	19,213,283	5,183,000
Other transfers(CDF)	-	1,000,000
Total Transfers	19,213,283	6,183,000

7. Fees from students

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Tuition Fees	3,559,024	4471,980
Activity Fees	1,504,000	-
Industrial Attachment Fees	-	-
Examination Fees	1,483,160	648,425
Personal emolument	4,292,548	170,000
Administrative costs	1,500,000	35,900
Development	2,300,515	35,000
Total Fees from students	14,639,247	5,361,305

8. Sale of Goods

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Sale of farm produce	-	3,000
Sale of chairs - cash	-	200,000
- credit	-	380,000
Sale of Farm Produce	-	-
Total Revenue from Sale of Goods		583,000

9. Use of Goods and Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Teaching and learning materials	2,721,780	1,596,307
Electricity	180,942	95,000
Advertising/Marketing	512,980	166,650
Examination fees	1,483,160	804,990
Local travelling and transport	3,145,070	1,961,650
Administrative costs	2,599,807	1,147,464
Development costs		3,338,083
Loans	20,000	-
Student welfare	100,000	-
Activity	1,157,600	329,945
Production	145,030	530,980
Boarding expenses	1,515,988	-
Total goods and services	13,582,357	9,971,069

10. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries and wages	5,871,330	3,298,000
Employee related costs - contributions to pensions and medical aids	120,528	44,639
Employee Costs	5,991,858	3,342,639

11. Board Expenses

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Transport Allowances	532,000	218,000
Other Board Expenses	-	-
Total	532,000	218,000

12. Repairs and Maintenance

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Repair of Sewing machines	34,690	-
Repair of printers	25,600	-
Repair of Electricity	720	-
Repair of Water tanks	6,900	-
Repair of Furniture and fittings	127,912	181,480
Repair of Computers and accessories	17,518	8,000
Repair of Mechanical machines	8,500	-
Repair of tuition block	300,700	-
Repair of Fire extinguishers	65,000	-
Total Repairs and Maintenance	587,540	189,480

13. Finance Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Bank charges	24,354	15,818
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	24,354	15,818

14. Development expenditure

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Construction of gate	3,391,289	-
Construction of electrical workshop	1,580,917	-
Construction of Retention wall	184,200	-
Construction of lecture halls	2,141,251	-
Networking	719,466	-
Hairdressing and beauty workshop	55,600	-
Furniture and fittings	319,248	-
Total Financing Costs	8,391,971	-

15. (a). Cash and Cash Equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Account-operations account-1268855723	6,122,063	1,543,533
CDF Account-1279017058	103,890	45,236
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Cash in hand	113,930	8,665
Total Cash and Cash Equivalents	6,339,883	1,597,434

(b). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Current Account			
Kenya commercial Bank	1268855723	6,122,063	1,543,533
Kenya Commercial Bank-CDF	1279017058	103,890	45,236
Sub- Total		6,225,953	1,588,769
b) Others			
Cash in Hand		113,930	8,665
Sub- Total		113,930	8,665
Grand Total		6,339,883	1,597,434

16. Receivables from Exchange transactions

20. (a) Current Receivables from Exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	6,435,665	6,078,973
Rent Debtors	-	-
Advance payments	-	-
Total Current Receivables	6,435,665	6,078,973

21. (b) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	FY 2023-2024	% of the total	FY 2022-2023	% of the total
Less than 1 year		-	-	-
Between 1- 2 years	6,435,665	100%	6,078,973	100%
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	6,435,665	100%	6,078,973	100%

22. (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	880,000	4,132,489
Provisions during the year	5,935,665	1,946,484
Recovered during the year	(380,000)	-
Write offs during the year	-	-
At the end of the year	6,435,665	6,078,973

17. Inventories

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Consumable stores	135,408	-
Fashion and design items	-	22,635
Food stuffs	153,574	-
Stationery	-	145,875
Cleaning Materials stores	23,930	22,750
Electrical stores	-	28,050
Hardware materials		20,010
Total Inventories at lower of Cost and Net Realizable Value	312,912	239,320

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18. Property, Plant and Equipment

Cost	Land and buildings	Furniture	computers	Plant and equipment	Training Machines i.e Browsers and Massage beds	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	102,363,987	1,256,500	60,000	200,044,000	323,500	304,047,987
Additions	-	-	395,000	-	3,500	398,500
At 30th June 2023	102,363,987	420,000	445,000	200,044,000	327,000	304,047,987
Additions	7,297,657	374,848	719,466	-	-	8,391,971
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
At 30th June 2024	109,661,644	794,848	1,612,466	200,000,000	323,500	312,439,958
Depreciation And Impairment						
At 1 Jun 2023	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 Jun 2023						
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th Jun 2024	109,661,644	794,848	1,612,466	200,000,000	323,500	312,439,958
Net Book Values						
At 30th Jun 2023	102,363,987	420,000	893,000	200,000,000	323,500	304,047,987
At 30th Jun 2024	109,661,644	794,848	1,612,466	200,000,000	323,500	312,439,958

19. Trade and Other Payables from Exchange Transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade payables	2,247,430		2,217,149	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	2,247,430		2,217,149	
Ageing analysis:	FY 2023-2024	% of the Total	FY 2022-2023	% of the Total
Under one year	2,247,430	100%	2,217,149	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	2,247,430	100%	2,217,149	100%

20. Financial Risk Management

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

(i) **Credit risks**

The Institution has exposure to credit risk, which is the risk that it 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	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	6,078,973	6,078,973	-	-
Receivables from non-exchange transactions	880,000	880,000	-	-
Bank balances	1,588,769	1,588,769	-	-
Total	8,547,742	8,547,742	-	-
At 30 June 2024				
Receivables from exchange transactions	6,435,665	6,435,665	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	6,339,883	6,339,883	-	-
Total	12,775,548	12,775,548	-	-

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	2,217,149	-	-	2,217,149
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Total	2,217,149	-	-	2,217,149
At 30 June 2024				

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Trade Payables	2,247,430	-	-	2,247,430
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Total	2,247,430	-		2,247,430

(iii) Market risk

Riragia 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.

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

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

a) Interest rate risk

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

Management of interest rate risk

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

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:

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Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	4,742,323	6,033,342
Capital Reserve	312,439,958	304,047,987
Total Funds	317,182,281	310,081,329
Total Borrowings	-	-
Less: Cash and Bank Balances	(6,339,883)	(1,552,198)
Net Debt/(Excess Cash and Cash Equivalents)	310,842,398	308,529,131
Gearing	98%	99%

21. Events After The Reporting Period

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

22. Currency

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

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23. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

N/B- As at the reporting time previous year's audit was not completed hence no summary for issues raised but will be done in due course.

Paul



Name: Dr. Paul Makori

Principal Riragia TVC

Date ... 08/04/2025