

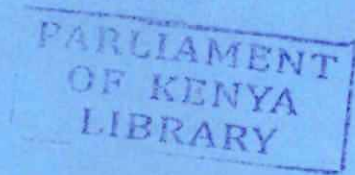
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

WUMINGU TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2023

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 06 MAR 2025

DAY.

Thursday

TABLED
BY:

Hon. Naoms Wago MP
Deputy Majority Party Whip

CLERK-AT
THE-TABLE:

A. Shibuki

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
8239/ Mombasa Hub
06 FEB 2025
RECEIVED



WUMINGU TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2023

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

OFFICE OF THE AUDITOR - GENERAL
P.O.Box 95202 MOMBASA
07 FEB 2025
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MOMBASA REGIONAL OFFICE

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Wumingu Technical and Vocational College
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1. Acronyms & Glossary of Terms

BOG	Board of Governors
CDACC	Curriculum Development and Certification Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority
WTVC	Wumingu Technical and Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Wumingu Technical and Vocational college is located in Wumingu Ward, Taita Sub County, Taita Taveta County. It sits on an eight (8) acre piece of land, situated on top of a hill in a serene and scenic part of Wundanyi constituency. It was founded in 2013 by the Government of Kenya as part of its effort to improve access to Technical Vocational Education and Training in every constituency in Kenya. In its inception the college was fully equipped in mechatronics engineering ICT facilities.

WTVC started its operations in 2019 after having been officially registered by TVETA and licensed to offer four programs, namely Mechatronics Engineering Level 5 and 6 (CDACC examined), and Information Communication Technology craft and Diploma (KNEC examined). It had a population of 25 students and 8 trainers as at January 2023

(b) Principal Activities

The principal mandate of the entity is to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates are of world class standards.

Vision

To be a centre of excellence in technical and vocational education and training.

Mission

To provide quality technical and vocational education and training to meet the changing demands of the society.

Core Values

- (i) Integrity
- (ii) Professionalism
- (iii) Teamwork
- (iv) Equity
- (v) Customer focus
- (vi) Innovation

Motto

Where innovation meets excellence

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(c) Key Management

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

- Board of Governors
- Accounting officer
- Deputy Principal
- Registrar
- Dean of students

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Peter Mwashighadi
2.	Deputy principal	Victor Makau
4	Registrar	Holiness Kazi
5	Dean of students	Lucky Musyoka
6	Head of Finance	Nashon Mchemi

(e) Fiduciary Oversight Arrangements

- **Audit and risk committee activities**
Review Annual reports and financial statements.
Review the Quarterly Internal Audit reports.
Review Internal Audit policies and risk management policies.
- **Finance and operations committee activities**
Review draft Annual budgets and report to the full Board.
Review Annual reports and quarterly financial statements.
- **Academic committee activities**
Formulate, review and recommend academic policies for implementation.

(f) Entity Headquarters

Wumingu Technical and Vocational College
P.O. Box 1208-80304
Funju, Werugha Mule Road
Wundanyi, KENYA

(g) Entity Contacts

Telephone: (+254)714349072
E-mail: wumingutvc@gmail.com
Website: www.wumingutvc.ac.ke

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(h) Entity Bankers

Kenya Commercial Bank
Voi Branch
P.O. Box 137-80300
Voi, Kenya

(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

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

3.The Council/Board of Governors






SN.	Member/ Director	Details
1.	 Alexon Mwasi Ngongo	Name: Alexon Mwasi Ngongo D.O.B: 05/09/1975 Position: Chairman of the Board Qualifications: M.Sc. Global, B.A Community Development Work experience: Area programme manager World Vision Kenya
2.	 Gift Bongoli	Name: Gift Bongoli D.O.B: 13/01/1979 Position: Member of the Board Qualifications: Masters Bachelor of Industrial Technology Work experience: Working with Huawei Kenya 2G/3G/LTE consultant
3.	 Miliana Tuva	Name: Miliana Tuva D.O.B: 18/03/1974 Position: Member of the Board Qualifications: Bachelor of Business Administration in Finance and Banking Work experience: Working with Safaricom Ltd in-charge of stock at the retail centre and attainment of retail centre revenue target.
4.	 Elizabeth Mbinga	Name: Elizabeth Mbinga D.O.B: 14/01/1991 Position: Member of the Board Qualifications: A Bachelor's Degree in Environmental Studies Work experience: Research assistant also working with Home Alive Initiative in Taita Taveta
5.	 Siblinah Kiwunga Mwawasi	Name: Siblinah Kiwunga Mwawasi D.O.B: 06/03/1983 Position: Member of the Board Qualifications: Bachelor of Arts Degree in Sociology Work experience: Working with Kenya Revenue Authority

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

6.	 Thomas Mwaengo	Name: Thomas Mwaengo D.O.B: 11/09/1981 Position: Member of the Board Qualifications: Masters Degree of Business Administration (MBA) Work experience: Working with Kenya Revenue Authority as supervisor, Business Transformation Officer
7.	 Peter Mwangi	Name: Peter Mwangi D.O.B: 24/02/1966 Position: PS representative Qualifications: Masters Degree in education management Work experience: County Director TVET-Coast Region
8.	 Abderahman Abubakar Mohammed	Name: Abderahman Abubakar Mohammed D.O.B: 28/03/1987 Position: Position: Member to the Board Qualifications: Bachelor of Engineering in Applied Mechanical Work experience: Field Service Manager (Davis and Shirtliff Mombasa)
9.	 Fredrick Mjomba	Name: Fredrick Mjomba D.O.B: 10/02/1976 Position: Office of the Governor Representative Qualifications: PHD In Genetics Work Experience: Working at the Office of the Governor Taita Taveta
10.	 Peter Mwashighadi	Name: Peter Mwashighadi D.O.B: 04/09/1978 Position: Principal/Secretary to the Board Qualifications: Master's Degree in Mechanical and Automotive Technology Work Experience: Previously Worked at CIT as HOD Mechanical

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Peter Mwashighadi	Name: Peter Mwashighadi Position: Principal Qualification: Master's Degree in Mechanical and Automotive Technology
2.	 Victor Makau	Name: Victor Makau Position: Deputy Principal Qualification: Bachelor of Science in Mechanical Engineering.
3.	 Holiness Kazi	Name: Holiness Kazi Position: Registrar Qualification: Bachelor of Business Information Technology
4.	 Lucky Musyoka	Name: Lucky Wambua Position: Dean of Students Qualification: Bachelor of Science in Mechatronic Engineering.
5.	 Nashon Muchemi	Name: Mr. Nashon Mchemi, CPA Position: Finance officer. Qualifications: B Com (Finance option), CPA (K), Accountancy Diploma.

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023


5. Chairman's Statement

On behalf of the Institute Board of Governors, I am pleased to present to you the Wumingu Technical and Vocational College Annual Reports and financial statements for the year ended 30th June 2023. During the period, the institute continued to deliver on our core mandate of provision of quality technical educational and training (TVET), research and community outreach, that is market driven and well aligned with the big four agenda.

The government of Kenya has embarked on a comprehensive reform on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed by the industry. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements. Wumingu TVC has aligned its strategic plan (2023-2028) with the vision 2030 and the BETA agenda of the government as outlined in the constitution of Kenya 2010. I recognize with much appreciation the critical role that TVET's play in building the foundation which will move this country to a fully industrialized economy.

During the FY 2022/2023, the Institute projected to focus on increasing student enrollment and improvement of infrastructure to support training/learning and research. In that spirit the institute is working towards the introduction of internet access and E-library which will ease training/learning and research

Finally, I wish to acknowledge with gratitude the Government of Kenya, through the Ministry of Education for its goodwill and immense support to the institute as it strives to implement its strategic goals and objectives. I also wish to appreciate the vital support that we have continued to receive from our students, staff and sponsors. The Board of Governors shall continue to provide the much-needed resources, advice and foresight to support the college and ensure it grows to the next level.


.....
Mr. Alexon Mwasi Ngongo
Chairman, Board of Governors

Date.. 23/12/2023

6. Report of the Principal

Dear Stakeholder,

Wumingu TVC has positioned itself as an institution of first choice in the training of highly skilled technical graduates in line with the institution's growth aspirations. Its strategic plan (2023-2028) has been aligned with the constitution of Kenya 2010, vision 2030 and the BETA agenda of the Kenya Kwanza Government. Our commitment is to be a nationally acclaimed technical and vocational institution recognized for excellence in technical and vocational education.

The institutes core values: hard work, transparency, integrity, teamwork, accountability, professionalism, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

Key projects

The institution is currently under the process of undertaking the Construction of the proposed hostel project and staff house, being funded by the AfDB through the Government of Kenya and the Wundanyi NG-CDF respectively.

Operational and Financial Performance

The Institute is committed to deliver on its key mandate to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates are of world class standards.

The financial year 2022/2023 recorded a surplus of **Kshs 1,383,408.00**

Compliance with Statutory Requirements

During the Financial Year under review, the institution complied with its statutory obligations including compliance with remittance of PAYE, NHIF, within the stipulated deadlines. However, the College had compliance issues for the year under review on the remittance of NSSF due to lack of funds as the institute never received the 4th quarter of grants and it was difficult to meet all its financial obligations. The institution mainly depends on grants for its operation

Major risks and challenges facing the institute

Wumingu TVC continues to face pressure on existing resources due to inadequate infrastructure such as poor roads that has rendered access to the institution almost impossible especially during rainy seasons. Access to water and sanitary services is a major challenge to the institution. Budgetary constraints have contributed to failure of projects including drilling of a borehole, sports facilities, construction of a restaurant, which are in dire need of funding to realize the aspired benefits. Inadequate funds arising from failure by the government to remit grants for Quarter Four contributed greatly in failure to achieve some of the budgetary plans for the year.

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Future outlook

We look forward to harnessing our strategic plan (2023-2028) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. Our ultimate objective is to be a nationally acclaimed technical and vocational institution recognized for excellence in technical and vocational education.

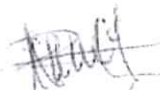
The institute is now registered with KUCCPS and HELB, a move that is aimed at increasing student enrollment and improve the institution rating. For this we anticipate an increase in student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure.

Conclusion

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of the institution goals. I am truly honored to serve alongside you as we endeavor to redefine the role played by Wumingu TVC and TVETs and drive the institution towards realizing its vision, strategic goals and objectives.

On behalf of Board, Management, Staff and Students, I would like to appreciate the support accorded to Wumingu TVC by the GoK through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training. We look forward to your continued support and commitment.


Mr. Peter M. Mwashighadi

Principal/Secretary BOG

Date... 28/12/24

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

7. Statement of Performance against Predetermined Objectives

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

Wumingu Technical and Vocational college develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2022/2023 period for its 4 strategic pillars, as indicated in the table below:

Strategic Pillar		Objective	Key Performance Indicators.	Activities	Achievements
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Institute.	Number of ICT Equipment purchased and installed.	Installation of internet. Train staff on needs of ICT.	Internet installed
Pillar 3:	Corporate image	To strengthen corporate image	Number of marketing programmes implemented	Review and implement marketing plan.	Establishment of website. Registration with KUCCPS
Pillar 4:	Education and training	New and modern methods of Training enhanced	Introduce modern ICT learning and training methods.	New modern methods of Training enhanced.	Modern Training techniques in progress such as online classes.

8. Corporate Governance Statement

Wumingu TVC is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the institution. As a public institution dedicated to providing quality service to its stake holders, the college decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, Corporate Governance Guidelines Board and Board Committee Charters. The college endeavors to develop, strengthen and sustain the trust that the Government, employees, students and general public has placed in it. The Board of Governors is committed to regular evaluation of national and international emerging standards in a responsible, transparent and efficient management, with a view of enhancing corporate governance at the institution and consistently deliver on its statutory mandate.

Role of the Board of Governors

The primary function of the Board of Governors is to provide effective strategic leadership and direction to enhance the long-term achievement of the college strategic plan. The strategic plan overall objective is to enhance the achievement of the college's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the BETA agenda of the government.

The Board Size, Composition and Independence

The Board of Governors is made up of 10 members. Its composition draws a perfect mix of Qualifications, skills, experience, training and proficiencies in various fields.

Board Remunerations

The non-executive Board members earn sitting allowances for every meeting attended. Governance fees are paid to non-executive Board members who do not represent any Government institution.

Wumingu Technical and Vocational College
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The Board had three committees constituted as follows:

Name of the Committee	Members
1. Audit and Risk Management committee.	1. Miliana Tuva- Chairman 2. Fredrick Mjomba -Member 3. Gift Bongoli -Member
2. Finance and Human Resources Management committee.	1. Thomas Mwaengo- Chairpeson 2. Peter Mwangi –Member 3. Elizabeth Mbinga -Member
3. Academic and Research committee	1. Abderahman Abubakar- Chairman 2. Siblinah Mwawasi -Member 3. Peter Mwangi -Member.

Board members are appointed by the Ministry of Education and serve a maximum of two terms of three years each. Board remuneration is in the form of sitting allowances for physical and virtual meetings attended. Subsistence/per diem and transport allowances are paid depending on their geographical locations.

9. Management Discussion and Analysis

Wumingu Technical and Vocational College continues to be committed to deliver on its key mandate to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates meet the changing demands of the workplace. In line with the institution growth aspirations, the strategic plan (2023-2028) is aligned with the vision 2030, the BETA Agenda and other strategic priorities of the government as outlined in the constitution of Kenya 2010. The institution core values have played a great role in realizing the college dream of impacting high quality skills for modern dynamic market.

During the Financial Year under review, the institution complied with its statutory obligations including compliance with remittance of PAYE, NHIF, within the stipulated deadlines. However, the College had compliance issues for the year under review on the remittance of NSSF due to lack of funds as the institute never received the 4th quarter of grants and it was difficult to meet all its financial obligations. The institution depends mainly on grants for its operation.

Wumingu TVC continues to face pressure on existing resources due to inadequate infrastructure such as poor roads that has rendered access to the institution almost impossible especially during rainy season. Access to water and sanitary services is a major challenge to the institution. Budgetary constraints have contributed to failure of projects including drilling of a borehole, sports facilities, construction of a restaurant, which are in dire need of funding to realize the aspired benefits. Inadequate funds arising from failure by the government to remit grants for Quarter Four contributed greatly in failure to achieve some of the budgetary plans for the year.

We look forward to harnessing our strategic plan (2023-2028) to guide the institution future developments, improve service delivery and achieve set goals and objectives. Our ultimate objective is to be a nationally acclaimed technical and vocational institution recognized for excellence in technical and vocational education.

The institution is now registered with KUCCPS and HELB, a move that is aimed at increasing student enrollment and improve the institution rating. For this we anticipate an increase in student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure.

We take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

10. Environmental and Sustainability Reporting Statement

Wumingu TVC exists to change lives. This is our goal; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

a) Sustainability strategy and profile

The management of Wumingu TVC through its Board of Governors is committed towards achieving sustainability in its operations. They have put in measures to ensure minimal interference and maximum focus towards achieving its strategic goals. The management has put in great strides to gain political goodwill that is vital for the existence, growth and expansion of the institution. There have been engagements with local leaders on issues affecting the institution.

b) Environmental performance

Wumingu TVC takes interest in environmental conservation and management. It boasts a strong section managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments especially during the college community days in an attempt to speed up environmental conservation and keep the environment safe.

c) Employee welfare

The institute has no human resource department due to budgetary constraints but works closely with the administration and board of directors to ensure quality staff additions to the institution. Staff are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

Market place practices

a) Responsible competition practice.

The institute upholds the principles of fair competition as outlined in the constitution. We promote respect and integrity among our competitors to help build a collaborative and supportive business community where institutions can strive together.

We plan on engaging in strategic partnership, knowledge sharing and collective problem solving so as to enhance innovation and create resilience and interconnect with other institutions.

b) Responsible Supply chain and supplier relations.

The institute has committed to maintain good working relationships with its creditors by ensuring equal and fair treatment when it comes to award of tenders. It also operates in line with the public

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

procurement laws. Creditors are paid on time following availability of funds. The creditors are however required to provide high quality goods and services.

c) Responsible marketing and advertisement

The college has continued to conduct extensive marketing of its services through social media sources. There has also been door to door distribution of brochures as it strives to have a personal touch with the outside community and clients. Prompt feedback and good customer relationships also enables the institute to maintain a good relationship with its customers.

d) Product stewardship

The institute offers high quality accredited academic programs and has highly qualified trained personnel. Students are given an equal opportunity to participate in sports, games and other extracurricular activities. Staff are given an equal opportunity in their career advancements by attending seminars, workshops and trainings.

Corporate Social Responsibility / Community Engagements

In line with its mission and values, Wumingu TVC is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to maintaining standards, respect and accountability across all its activities, including: treating employees fairly and with respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

The student council has a community day where students engage in cleaning exercises and tree planting within the surrounding during environmental days in coordination with partners such as Kenya forest Wundanyi.

The College purposes to continue collaborating with all stakeholders on issues that benefit the development of the country as well as giving back to the society. WTVC therefore shall continue to play its crucial role towards attainment of vision 2030 and the BETA Agenda as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Wumingu TVC affairs.

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Principal activities

The principal activities of the entity is to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates meet the dynamic demands of the workplace.

Results

The results of the entity for the year ended June 30, 2023 are set out on page 1

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 Wumingu TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....

Mr. Peter M. Mwashighadi
Secretary of the Board of Governors

Date: 23/12/23
.....

12. Statement of Board of Governors Responsibilities

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

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

The Board members accept responsibility for Wumingu TVC 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 Technical and Vocational Education and Training (TVET) Act, 2013. The Board members are of the opinion that the Wumingu TVC financial statements give a true and fair view of the state of Wumingu TVC transactions during the financial year ended June 30, 2023, and of the Wumingu TVC financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Wumingu TVC, which have been relied upon in the preparation of the Wumingu TVC financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Principal has assessed the Wumingu TVC ability to continue as a going concern.

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

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Approval of the financial statements

The Wumingu TVC financial statements were approved by the Board on 23/12/20 2023
and signed on its behalf by:


.....

Mr. Alexon M. Ngongo
Chairman of the Board

23 
.....

Mr. Peter M. Mwashighadi
Accounting Officer/Principal

REPUBLIC OF KENYA



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

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

Enhancing Accountability

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in 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 the 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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and do not present a true and fair view in accordance with the applicable financial reporting framework. An Adverse Opinion indicates that the financial statements exhibit significant misstatements with the books of accounts and the underlying accounting records. There is significant disagreement between the financial statements and the underlying books of accounts and/or standards. These problems are widespread, persistent and require considerable intervention by the Management to rectify.

The Adverse Opinion should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the 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

Adverse Opinion

The accompanying financial statements of Wumingu Technical and Vocational College set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Arthur Consulting Associates, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Wumingu Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccurate Revenue from Rendering of Services

The statement of financial performance and Note 7 to the financial statements reflects revenue from rendering of services of Kshs.3,403,620 while the statement of cash flows shows that Kshs.1,582,283 was received during the year. The calculated outstanding receivables of Kshs.1,821,337 differs with the reported balance of Kshs.2,550,790 in the statement of financial position resulting to a variance of Kshs.729,453.

In the circumstances, the accuracy and completeness of the revenue from rendering of services of Kshs.3,403,620 could not be confirmed.

2. Inaccurate Statement of Financial Position

The statement of financial position reflects accumulated surplus of Kshs.1,496,580 which differs with Kshs.1,383,408 reported in the statement of financial performance being the first year of reporting resulting to a variance of Kshs.113,172.

In the circumstances, the accuracy and completeness of the accumulated surplus of Kshs.1,496,580 could not be confirmed.

3. Inaccurate Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents balance of Kshs.1,217 which includes Kshs.113,172 being opening balance brought forward from the previous financial year. However, the College is reporting for the first time hence the opening balance for cash and cash equivalents at 1 July, 2022 has not been explained or supported. Further, the statement reflects transfers from National Government entities of Kshs.1,500,000 which differs with the actual receipt of Kshs.2,000,000 resulting to a variance of Kshs.500,000.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.1,217 could not be confirmed.

4. Inaccurate and Unsupported Property, Plant and Equipment

The statement of financial position and Note 15 to the financial statements reflects a balance of Kshs.51,404,241 in respect of property, plant and equipment which was not supported by documentation and analysis of how the reported balance was determined. Further, the property, plant and equipment balance excludes other institutional assets which include mechatronics and electrical equipment, computer equipment, furniture and land. In addition, the College does not maintain an updated asset register to record, track and manage its assets.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.51,404,241 could not be confirmed.

5. Unsupported Current Portion of Receivables from Exchange Transaction

The statement of financial position and Note 14 to the financial statements reflects a balance of Kshs.2,550,790 in respect of current portion of receivables from exchange transactions. However, the balance was not supported by a ledger, detailed listing of debtors and aging analysis. Further, individual student ledgers which are essential for recording amounts billed for tuition fees, payments received and running balances were not provided for audit review.

In the circumstances, the accuracy and completeness of the current portion of receivables from exchange transaction balance of Kshs.2,550,790 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Wumingu 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 summary statement of comparison of budget versus actual reflects final receipts budget and actual on comparable basis of Kshs.8,937,000 and Kshs.5,403,620 respectively resulting to an under-funding of Kshs.3,533,380 or 39% of the budget. Similarly, the College spent Kshs.2,971,146 against actual receipts of Kshs.5,403,620 resulting to under absorption of Kshs.2,432,474 or 45% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion, 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 xx which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, Statement of Board of Governors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Late Submission of the Financial Statements for Audit.

The financial statements for the year ended 30 June, 2023 was submitted for audit on 11 December, 2023 three months after the statutory deadline of 30 September, 2023 contrary to Section 47(1) of the Public Audit Act, 2015 which requires the financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Proper Segregation of Duties

Review of the institution's operations revealed that there is lack of segregation of duties. The principal carried out multiple roles instead of delegating to different staff to maintain effective checks and balances. The principal handled key responsibilities especially in

procurement and accounts besides handling all cash withdrawals for payment of goods and services and written in his name with no controls to monitor the use of the funds.

In the circumstances, the effectiveness of operations and internal controls could not be confirmed.

2. Reliance on Manual Accounting System

Review of the finance system and records revealed that the institution relies entirely on a manual accounting system which is prone to errors, inefficiencies and inconsistencies. This significantly hampers the ability to verify the amounts recorded in the financial statements.

In the circumstances, the effectiveness on internal controls and operations in the finance department could not be confirmed.

3. Lack of Key Departments.

During the year under review, it was observed that the institution had not established key departments such as procurement, finance and human resources which could effectively allocate roles and ensure responsibilities were properly taken up. This is contrary to the Public Financial Management Act, 2012 Section 66(1) which requires that public entities to ensure that internal controls, including segregation of duties are in place to protect public resources, ensure the accuracy of financial reporting and minimize the risk of fraud or errors.

In the circumstances, the effectiveness on internal controls and operations could not be confirmed.

4. Lack of Key Management Policies

The institution lacked established policies and regulations such as finance, procurement, human resource, risk management policies and the board charter. Additionally, essential policies for a TVET institutions such as the student admission and academic policies among others are yet to be approved.

In the circumstances, the effectiveness on internal controls and operations could not be confirmed.

5. Lack of Internal Audit Department and Audit Committee

Review of effectiveness of oversight in the institution revealed that there was no internal audit department, which resulted in the absence of a formal system to regularly assess internal controls, risk management practices and operational efficiency. This is contrary to Section 73 of the Public Finance Management Act ,2012, which requires a National Government entity to maintain internal auditing arrangements.

In the circumstances, the effectiveness of oversight roles of internal audit and audit committee could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Wumingu 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 adverse opinion.

Responsibilities of the Management and the Board of Governors

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

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

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

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

The Board of 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 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


25 February, 2025

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

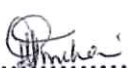
14. Statement of Financial Performance for The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000	
Revenue from Exchange transactions			
Rendering of services- fees from students	7	3,403,620	
Revenue from Exchange transactions		3,403,620	
Total Revenue		5,403,620	
Expenses			
Use of goods and services	8	1,973,627	
Employee costs	9	637,884	
Board Expenses	10	245,000	
Depreciation and amortization expense	11	1,049,066	
Repairs and maintenance	12	114,635	
Total Expenses		4,020,212	
Net surplus/(deficit) for the year		1,383,408	


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



Chairman of Board



Finance Officer
 ICPAK No 25495



Principal

Date: 23/12/2024

Date: 23/12/2024


Date: 23/12/2024

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

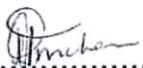
15. Statement of Financial Position as at 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	1,217	
Current portion of receivables from exchange transactions	14	2,550,790	
Investments in financial assets		-	
Total Current Assets		2,552,007	
Non-Current Assets			
Property, plant, and equipment	15	51,404,241	
Total Non-Current Assets		51,404,241	
Total Assets		53,956,248	
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	17	4,861	
Refundable deposits from customers	18	1,500	
Total Current Liabilities		6,361	
Total Liabilities			
Net Assets			
Reserves		52,453,308	
Accumulated Surplus		1,496,580	
Capital Fund		-	
Total Net Assets and Liabilities		53,956,248	

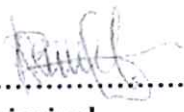
The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Board



Finance Officer
 ICPAK No.25495



Principal

Date: 23/12/24

Date: 23/12/2024

Date: 23/12/24

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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

Description	Capital reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022	52,453,308	113,172	-	52,566,480
Revaluation gain				
Surplus/(deficit) for the year	-	1,383,408		1,383,408
Capital grants received during the year				
Transfer of depreciation/amortizations from capital fund to			-	-
Retained earnings	-			-
At June 30, 2023	52,453,308	1,496,580	-	53,949,887

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		1,500,000	
Rendering of services- fees from students		1,582,283	
Total Receipts		3,082,283	
Payments			
Use of goods and services		2,196,719	
Employee costs		637,884	
Board Expenses		245,000	
Repairs and maintenance		114,635	
Total Payments		3,194,238	
Net Cash Flows from operating activities		(111,955)	
Net cash flows used in investing activities		-	
Net Increase/(Decrease) in Cash and Cash equivalents	19	(111,955)	
Cash and Cash equivalents at 1 JULY 2022	13	113,172	
Cash and Cash equivalents at 30 JUNE 2023	13	1,217	

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization
			budget			Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	2,000,000		2,000,000	2,000,000	-	-
Rendering of services- fees from students	6,937,000		6,937,000	3,403,620	3,533,380	104
Total Income	8,937,000		8,937,000	5,403,620	3,533,380	65
Expenses						
Use of goods and services	5,143,720		5,143,720	1,973,627	3,170,093	161
Employee costs	2,308,000		2,308,000	637,884	1,670,116	262
Board Expenses	520,000		520,000	245,000	275,000	112
Repairs and maintenance	240,000		240,000	114,635	125,365	109
Total Expenditure	8,211,720		8,211,720	2,971,146	5,240,574	176
Surplus for the Period	725,280		725,280	2,432,474	(1,707,194)	(70)
Capital Expenditure	725,280		725,280	-	725,280	-

19. Notes to the Financial Statements

1. General Information

Wumingu TVC entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Technical 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 Wumingu TVC accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Wumingu TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 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> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. <i>Now</i> 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.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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>

iii. Early adoption of standards

Wumingu TVC 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.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the Board on August 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded no additional appropriations for the FY 2022/2023 budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the

Wumingu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

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

The Wumingu TVC is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the following annual rates:

Item	Rates
Motor vehicle	20%
Building	2% straight line
Plant, Machinery & equip	15%
Furniture	10%
Computers	20%

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Wumingu TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

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

m) Nature and purpose of reserves

Wumingu TVC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Wumingu TVC provides retirement benefits for its employees. 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. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

Wumingu 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, Wumingu 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, Wumingu TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Wumingu 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. Additional disclosure of these estimates of provisions is included.

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.

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	
Operational Grant	2,000,000	
Unconditional Development grants	-	
Other Grants	-	
Total unconditional Grants	2,000,000	
Total Government Grants and Subsidies	2,000,000	

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(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Technical and Vocational Training	-			2,000,000	
Total	-			2,000,000	

7. Rendering of Services

Description	2022-2023	2021-2022
		Kshs
Tuition Fees	1,657,596	-
Activity Fees	269,620	-
Industrial Attachment Fees	17,000	-
Examination Fees	297,050	-
Local Transport and Travel	23,490	-
Electricity Water and Conservancy	24,458	-
Boarding Fees	6,000	-
Catering Services	20,910	-
Registration Fees	9,000	-
Repair and Maintenance	21,592	-
Students ID	900	-
personal emoluments	1,056,004	-
Total Revenue from The Rendering of Services	3,403,620	-

The revenue is on accrual basis and therefore includes a sum of Kshs 2,550,790 in receivables.

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8. Use of Goods and Services

Description	2022-2023	2021-2022
		Kshs
Teaching and learning materials	-	-
Industrial attachment costs	-	-
Electricity	135,375	-
Refreshments and Meals	80,360	-
Activity	123,300	-
Professional and consultancy services	-	-
Seminars and Subscriptions	368,400	-
Advertising	140,591	-
Examination fees	44,800	-
Audit fees	-	-
Catering, conferences, and delegations	64,195	-
Travelling and accommodation	767,565	-
Staff Training	133,000	-
Insurance	-	-
Legal expenses	-	-
Licenses and permits	-	-
Postage	66,565	-
Printing and stationery	42,470	-
Bank charges	3,033	-
Skills development levies	-	-
Sanitary Services	3,200	-
Internet expenses	-	-
mobile money cost	773	-
Total good and services	1,973,627	1,973,627

9. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	575,284	
Employee related costs - contributions to pensions and medical aids	62,600	
Travel, motor car, accommodation, subsistence and other allowances	-	
Overtime payments	-	
Employee Costs	637,884	

10. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	-	
Directors Emoluments	-	
BoG Allowances	245,000	
Other Board/Council Expenses	-	
Total	245,000	

11. Depreciation and Amortization expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	1,049,066	
Intangible assets	-	
Investment property carried at cost	-	
Total depreciation and amortization	1,049,066	

12. Repairs and Maintenance

Description	2022/2023	2021/2022
	Kshs	Kshs
Property	114,635	
Equipment and machinery	-	
Furniture and fittings	-	
Computers and accessories	-	
Total Repairs and Maintenance	114,635	

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

Financial Institution	Account number	2022/2023	2021/2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1277205833	1,137	113,172
Sub- Total		1,137	113,172
b) Others			
Cash in Hand		80	-
Mobile Money account		-	-
Sub- Total		80	-
Grand Total		1,217	113,172

14. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Receivables		
Student Debtors	2,550,790	-
Rent Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	2,550,790	-

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,550,790	100		
Over 3 years	-	0		
Total (a+b)	2,550,790	100		

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Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		0.02						
At 1 July 2022	-	52,453,308	-		-	96,824,310	-	52,453,308
Depreciation	-	1,049,066	-	-	-	14,523,647	-	1,049,066
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2023	-	51,404,241	-	-	-	82,300,663	-	51,404,241

Notes to the Financial Statements (Continued).

16. Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Buildings	52,453,308	1,049,066	51,404,241
Total	52,453,308	1,049,066	51,404,241

17. Trade and Other Payables

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Trade payables		-	
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables		4,861		
Total Trade and Other Payables		4,861		
Ageing analysis:	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	4,861	100		
1-2 years				
2-3 years				
Over 3 years	-	0		
Total (to tie to totals above)	4,861	100		

18. Refundable Deposits from Customers/Students

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	1,500		-	
Other refundable deposits			-	
Total Deposits	1,500		-	
Ageing analysis:	2022/2023	% of the Total	2021/2022	% of the Total
Under one year	1,500	100		
1-2 years				
2-3 years				
Over 3 years	-	0		
Total (to tie to totals deposits above)	1,500	100		

19. Cash generated from operations

Surplus for the year before tax	2022/2023	2021/2022
	Kshs	Kshs
Adjusted for:	1,383,408	
Depreciation	1,049,066	
Finance Cost	-	
Working Capital Adjustments		
Increase in Inventory	-	
Increase in Receivables	(2,550,790)	
Increase in Deferred Income	-	
Increase in Payables	6,361	
Increase in Payments received in advance	-	
Net Cash Flow from Operating Activities	(111,955)	

20. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	2,550,790			
Bank balances	1,217			
Total	2,552,007			

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 13 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade Payables	4,861			
Total	4,861			

(iii) Market risk

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

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

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

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

b) 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.

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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:

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve		
Accumulated funds	1,496,580	
Capital Reserve	52,453,308	
Total Funds	53,949,887	
Less: Cash and Bank Balances	(1,217)	
Net Debt/(Excess Cash and Cash Equivalents)	1,217	
Gearing	-0.002%	

21. Related Party Balances

Nature of related party relationships

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

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

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

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
B) Purchases from related parties		
Purchases of electricity and water from KPLC & TAVEVO	135,375	
Total	135,375	

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a) Grants /Transfers from the Government		
Grants from National Govt	2,000,000	
Total	2,000,000	
b) Key Management Compensation		
Directors' emoluments	245,000	
Description	2022-2023	2021-2022
	Kshs	Kshs
Total	245,000	

22. Events After the Reporting Period

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

23. Ultimate and Holding Entity

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

24. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

Note: The College has not yet received an audit certificate, therefore we have not included Auditors follow ups.



.....
Mr. Peter Mwashighadi
 Principal/ Secretary to the Board.

Date: 23/12/24

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Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION, STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
WUMINGU TECHNICAL AND VOCATIONAL COLLEGE
P.O Box 1208-80304 WUNDANYI, Tel: +254714349072
Email: wumingutvc@gmail.com Website: www.wumingutvc.ac.ke
TAITA TAVETA COUNTY



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

Confirmation of amounts received by Wumingu Technical and Vocational College as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2023				Amount Received by WTVC (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		1,500,000.00			1,500,000.00	1,500,000.00	
Total		1,500,000.00			1,500,000.00	1,500,000.00	

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

Head of Accountants department of beneficiary Entity:

Name: ... NASHON Njithemi Sign: [Signature] Date: 23/12/2024